

**COMMONWEALTH OF VIRGINIA
TREASURY BOARD
THROUGH
DEPARTMENT OF THE TREASURY**

REQUEST FOR PROPOSALS # OPR 04 - 006

for

PROGRAM/INVESTMENT MANAGEMENT SERVICES

for the

State Non-Arbitrage Program

**JODY M. WAGNER
TREASURER OF VIRGINIA**

Tina M. Mizelle, VCO
Procurement Officer

February 27, 2004

REQUEST FOR PROPOSALS
OPR 04 - 006

ISSUE DATE: February 27, 2004

TITLE: Program/Investment Management Services

ISSUING AGENCY: Attn: Tina M. Mizelle VCO, Procurement Officer
Commonwealth of Virginia
Department of the Treasury
P.O. Box 1879
Richmond, Virginia 23218-1879

USING AGENCY: State Non-Arbitrage Program (SNAPSM)
Sponsored by the Virginia Treasury Board

Initial Period Of Contract: Five (5) years from the execution date of the contract of October 1, 2004, in Accordance with the Terms and Conditions herein.

An Optional Pre-Proposal Conference will be held at 11:00 a.m. (EST) Monday, March 15, 2004 in the Treasury Board Room, 101 N. 14th Street, 3rd Floor, Richmond, VA 23219. Sealed Proposals Will Be Received Until **3:00 p.m. Monday, March 29, 2004**, for furnishing Program/Investment Management Services described herein. Offerors' names shall be read aloud.

All Inquiries Shall Be Directed To: Tina Mizelle by phone - (804) 786 - 4741, by fax - (804) 225-3187 or e-mail – tina.mizelle@trs.state.va.us. Written (fax or e-mail) inquiries are preferred.

If Proposals Are Mailed, Mail Directly To Issuing Agency Shown Above, Adding One Line To The Top Of The Address As Follows: Proposal for SNAPSM Program/Investment Management Services, RFP # OPR 04 - 006.

If Proposals Are Hand Delivered, Deliver To: Proposal for SNAPSM Program/Investment Management Services, RFP # OPR 04 - 006, Commonwealth of Virginia, Treasury Board, c/o Department of the Treasury, James Monroe Building - 3rd Floor, 101 North 14th Street, Richmond, Virginia 23219, Attn: Tina M. Mizelle.

In Compliance With This Request For Proposals And To All The Conditions Imposed Therein And Hereby Incorporated By Reference, The Undersigned Offers And Agrees To Furnish Program/Investment Management Services In Accordance With The Attached Signed Proposal Or As Mutually Agreed Upon By Subsequent Negotiations.

Offeror's Name:	By (Signature in Ink):
Complete Address:	Name (please print) and Title:
	Date:
City/State/Zip:	Federal Identification Number:
Telephone Number:	Facsimile Number:

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SECTION I PURPOSE

The purpose of this Request for Proposals ("RFP") issued by the Commonwealth of Virginia, Department of the Treasury, on behalf of the Treasury Board, is to establish a contract through competitive negotiation for Program/Investment Management Services for the State Non-Arbitrage Program (SNAPSM). This will be accomplished by soliciting sealed proposals from qualified vendors.

SECTION II BACKGROUND

The Tax Reform Act of 1986 placed arbitrage restrictions and reporting requirements on issuers of tax-exempt municipal bonds issued since its effective date. Certain local governments, agencies, institutions and authorities of the Commonwealth of Virginia have issued bonds and plan to issue bonds in the future that must meet these requirements.

Sections 2.2-4700 through 2.2-4705 of the Code of Virginia, the Government Non-Arbitrage Investment Act, authorizes the Virginia Treasury Board to provide assistance to the Commonwealth of Virginia, counties, cities, and towns in the Commonwealth, and to their agencies, institutions and authorities or any combination of the foregoing ("Virginia governments") in the management of and accounting for their bond funds, including, without limitation, bond proceeds, reserves and sinking funds, and the investment thereof, any portion of the investment earnings on which is or may be subject to rebate to the federal government, in accordance with the rebate requirements of the Internal Revenue Code of 1986, as amended.

In order to provide this assistance, since 1989 the Treasury Board has sponsored the State Non-Arbitrage Program (SNAPSM and Program) to provide comprehensive investment management, accounting and arbitrage rebate calculation service for proceeds of tax-exempt financings of Virginia issuers (SNAPSM participants) through the hiring of a program/investment manager, rebate calculation agent, central depository and legal counsel. The Treasury Board procures the services of these agents for the Program pursuant to its statutory authorization.

Only bond proceeds of Virginia governments can be invested in SNAPSM. It is the intent of the Treasury Board that the program be structured and administered in a manner that is economical, beneficial to the participants, and prudent to the Commonwealth. The purpose of the program is to assist Virginia governments in managing their arbitrage rebate compliance while minimizing negative arbitrage.

The investment options currently provided to participants through the SNAPSM Program are a money market mutual fund (SNAPSM Fund or Fund) registered by the current investment manager under the Investment Company Act of 1940, as amended, and individually managed portfolios, generally with investments with terms ranging from twelve months to five years. The SNAPSM Program purchases investments which Virginia governments are permitted by statute to invest the proceeds of their own bonds as outlined in Sections 2.2-4500 through 2.2-4516 of the Code of Virginia.

As of December 31, 2003, the Program had \$2.3 billion in assets under management. Of this amount, \$2.1 billion was invested in the SNAPSM Fund and \$191 million consisted of individually managed portfolios relating to six bond issues invested in the SNAPSM Program. This amount may be unusually high reflecting significant bond issuance activity, the favorable interest rate environment, and the challenging economic conditions for state and local governments. It is anticipated that the size of the Fund will fluctuate between \$1 billion and \$2 billion. At any given time, on average, the Program manages bond proceeds from approximately 400 bond issues of 200 participants and approximately 1000 issues are monitored for arbitrage compliance. As of December 31, 2003, there were approximately 850 participant accounts. (An issuer frequently has multiple accounts for its bond issues.) On average, approximately 40 new bond issues are invested in SNAPSM annually. Some of these issues are pooled bond issues, for which the proceeds are managed separately for each participant in a pool.

The program/investment manager is responsible for the coordination of all services related to the efficient operation of the Program. Currently, the Program service providers include the program/investment manager, legal counsel, rebate calculation agent and depository. Fees for services, other than fees for

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individual portfolio management and fees for final rebate calculations (which are charged directly to the participant) are paid from the earnings of the SNAPSM Fund.

Detailed information about SNAPSM is provided in Attachments A-G.

SECTION III: STATEMENT OF NEEDS

The program/investment manager, subject to the constraints and the requirements of the Internal Revenue Code of 1986, as amended, and other applicable law, shall invest the proceeds of tax-exempt obligations so as to achieve the highest rate of current income from the investment and reinvestment of the proceeds, consistent with preservation of capital and maintenance of liquidity. The program/investment manager shall provide for the investment of the proceeds of the participants' bonds, and for the maintenance of appropriate records, in order to ensure that the tax-exempt status of the participants' bonds is protected.

The program/investment manager shall be registered under the Investment Advisors Act of 1940 as an investment advisor and shall have demonstrated experience in managing large securities portfolios.

The program/investment manager shall furnish all labor and materials to provide program/investment manager services to SNAPSM participants. The responsibilities of the program/investment manager shall include, but are not limited to:

1. In accordance with federal arbitrage rebate requirements, conduct an investment program to invest the proceeds of participants' bonds in (a) a money market mutual fund registered by the program/investment manager under the Investment Company Act of 1940, as amended, exclusively to be used for SNAPSM participants, the fund to be called the SNAPSM Fund and/or (b) individually managed portfolios. All shares of the SNAPSM Fund shall be registered in the nominee name of the Treasury Board.
2. Control the investment and reinvestment of SNAPSM Fund assets. Legal title to all SNAPSM Fund assets shall vest in the Fund and beneficial ownership thereof, evidenced by Shares, shall vest in the SNAPSM participants.
3. Provide complete and accurate records of balances, receipt and disbursement transactions, investments and investment earnings of each debt issue, which may be further subdivided by specific projects, series, accounts, or/and funds within a debt issue.
4. Seek the most favorable investment for the participants, subject to investments authorized for public funds contained in the Code of Virginia and approved by the Treasury Board for inclusion in SNAPSM, and subject to other requirements that may be imposed by federal and state laws. To comply with covenants contained in bond resolutions, individual investment portfolios may be required. In the procurement of investments, it is required that principal market makers be included.
5. Provide, as requested, assistance to the participants in developing accurate drawdown schedules to be used in the development of investment strategies.
6. Maintain, aggregate, and update participants' drawdown schedules to ensure optimum investment returns, consistent with the required availability of funds.
7. Place all orders for the purchase, sale, or exchange of securities of the SNAPSM Fund and any individual portfolios.

8. Supervise the safe delivery to the depository of all securities and collateral and preparation and processing of all receipts, order confirmations and records for bookkeeping, accounting, auditing, and reporting.
9. On a daily basis, maintain ongoing records of investments, investment return and earnings by accounts and subaccounts established for participants' debt issuances.
10. Direct and coordinate with the SNAPSM depository, information flow and funds availability and direct depository as to payment or non-payment of instruments drawn on participants' accounts.
11. Prepare daily market valuation analyses of all SNAPSM Fund assets.
12. Calculate daily the net income of the SNAPSM Fund and the net asset value of the SNAPSM Fund.
13. Provide to each participant confirmation of each purchase and redemption of shares by participant account.
14. Maintain all records of the Program to meet the requirements of federal arbitrage rebate regulations.
15. Provide the rebate calculation agent SNAPSM investment, accounting, and other data in a timely manner and in both an electronic and paper format as the rebate calculation agent shall require to perform its services as SNAPSM rebate calculation agent as defined by the SNAPSM Information Statement and contract and as required to meet federal arbitrage rebate requirements associated with participants' bond issues invested in SNAPSM.
16. Direct the rebate calculation agent to prepare all necessary rebate calculations and to provide all necessary rebate services as requested by the participant, stipulated in the participant's account registration forms, and as required by the SNAPSM Information Statement. Coordinate the tracking of all participants' rebate calculation and arbitrage compliance due dates, including the five-year rebate calculations, six-month spenddown exception compliance dates, and annual rebate liability estimates to ensure all calculations are completed timely in accordance with federal regulations.
17. Refrain from using SNAPSM as a vehicle to market other non-SNAPSM related services to public entities in Virginia or as a vehicle to manage non-SNAPSM related funds.
18. Develop, print, and distribute to all current SNAPSM participants an Information Statement, subject to the prior approval of the State Treasurer, with an effective date coinciding with the start-up date of the contract. The program/investment manager shall revise, print, and distribute to all SNAPSM participants the Information Statement, subject to the prior approval by the State Treasurer, any time there is a change in the Program requiring the Information Statement to be updated. **See Appendix C.**
19. Prepare and file timely annual tax returns for SNAPSM.
20. Provide quality customer service to SNAPSM participants including the maintenance of a toll free telephone number exclusively for SNAPSM.
21. Maintain a SNAPSM web page, with the initial design and subsequent major revisions, approved by the State Treasurer.

22. Provide on-line access capabilities to SNAPSM Participants, to include on-line account inquiry for balances and transactions, on-line statement download or delivery (download by the Participant or delivery by electronic mail, initiated by the investment manager) and on-line historical data retrieval of SNAPSM Fund yield and assets.
23. Provide educational and promotional material about the Program to include issues associated with arbitrage rebate compliance to participants through quarterly newsletters, seminars on SNAPSM, held separately or in conjunction with seminars sponsored by Virginia government finance organizations, and through other means.
24. Maintain a Standard & Poor AAm rating or better on the SNAPSM Fund.
25. Have the SNAPSM Fund audited annually in accordance with generally accepted accounting and auditing standards and distribute annual financial statements and audit report to all SNAPSM participants and the Treasury Board.
26. Sign a non-exclusive licensing agreement with the Treasury Board for the purposes of using SNAPSM service marks. See SNAPSM licensing agreement **Attachment F**.
27. It is assumed that transition costs, other than those required to be covered by the current investment manager as outlined in the SNAPSM Contract, will be paid by the successor investment manager. If there are transition costs that the Treasury Board and/or the SNAPSM Fund will be asked to pay, these must be specifically outlined in Section XI, Pricing Schedule.
28. Transfer, upon termination of the contract, to the successor investment manager, at no cost to the Treasury Board, SNAPSM Fund, or SNAPSM participants all records and information, relating to the Program, electronically and by hard copy as requested and as defined by the responsibilities of the program/investment manager in the SNAPSM Contract and Information Statement.
29. With the resignation, termination, or redemption by the Treasury Board or the State Treasurer of all the Shares of all Participants in the SNAPSM Fund, change the name of the Fund so as to no longer employ the word "SNAPSM" or "State Non-Arbitrage Program".
30. For one year from the termination of this contract and transfer of the SNAPSM Program to a successor program/investment manager, incumbent investment manager shall not offer to public entities in Virginia a program that would compete with SNAPSM for the investment of proceeds of tax-exempt debt issues of Virginia governments.

It is the policy of the Commonwealth of Virginia to contribute to the establishment, preservation and strengthening of small businesses and businesses owned by women and minorities and to encourage their participation in State procurement activities. The Commonwealth encourages Contractors to provide for the participation of small businesses and businesses owned by women and minorities through partnerships, joint ventures, subcontracts or other contractual opportunities. Submission of a report of past efforts to utilize the goods and services of such businesses and plans for involvement on this contract are required in order to obtain full points as specified in Section V. **See Appendix B** for reporting format. By submitting a proposal, Offerors certify that all information provided in response to this RFP is true and accurate. Failure to provide information required by this RFP could result in the rejection of the proposal.

SECTION IV PROPOSAL PREPARATION AND SUBMISSION REQUIREMENTS

A. GENERAL REQUIREMENTS:

1. RFP Response:

- a. Number of Copies. In order to be considered for selection, Offerors must submit a complete response to this RFP. One (1) original, so marked, and fourteen (14) copies, so marked, of each proposal must be submitted to the Department of the Treasury. Additional copies shall be provided upon request at no charge. No other distribution of the proposal shall be made by the Offeror.

2. Proposal Preparation:

- a. Submission of Materials. An authorized representative of the Offeror shall sign proposals. All information requested should be submitted. Failure to submit all information requested may result in the Commonwealth requiring prompt submission of missing information and/or giving a lowered evaluation of the proposal. The Commonwealth may reject proposals, which are substantially incomplete or lack key information. Mandatory requirements are those required by law or regulation or are such that they cannot be waived and are not subject to negotiation.
- b. Small, Women-Owned, and Minority-Owned Business Reports. All information requested by this RFP on the ownership, utilization and planned involvement of small businesses, women-owned businesses, and minority-owned businesses shall be submitted. If an offeror fails to submit all information requested, the Commonwealth may require prompt submission of missing information after the receipt of the vendor proposals. (See **Appendix B.**)
- c. Clarity of Proposals. Proposals should be prepared simply and economically, providing a straightforward, concise description of capabilities to satisfy the requirements of the RFP. Emphasis should be placed on completeness and clarity of content.
- d. Organization of Proposal. Proposals should be organized in the order in which the requirements are presented in the RFP. All pages of the proposal should be numbered. Each paragraph in the proposal should reference the paragraph number of the corresponding section of the RFP. It is also helpful to cite the paragraph number, sub-letter, and repeat the text of the requirement as it appears in the RFP. If a response covers more than one page, the paragraph number and sub-letter should be repeated at the top of the next page. Information, which the Offeror desires to present, that does not fall within any of the requirements of the RFP should be inserted at an appropriate place or be attached at the end of the proposal and designated as additional material. Proposals that are not organized in this manner risk elimination from consideration if the evaluators are unable to find where the RFP requirements are specifically addressed.
- e. Single Volume. Each copy of the proposal should be bound or contained in a single volume where practical. All documentation submitted with the proposal should be contained in that single volume.
- f. Ownership of Materials. Ownership of all data, materials and documentation originated and prepared for the Commonwealth pursuant to the RFP shall belong exclusively to the Commonwealth and be subject to public inspection in accordance with the Virginia Freedom

of Information Act. Trade secrets or proprietary information submitted by an Offeror shall not be subject to public disclosure under the Virginia Freedom of Information Act; however, the Offeror shall invoke the protection of Section 2.2-4342F of the *Code of Virginia*, in writing, either before or at the time the data or other material is submitted. The written notice shall specifically identify the data or materials to be protected and state the reasons why protection is necessary. The proprietary or trade secret material submitted shall be identified by some distinct method such as highlighting or underlining and must indicate only the specific words, figures, or paragraphs that constitute trade secret or proprietary information. **THE CLASSIFICATION OF AN ENTIRE PROPOSAL DOCUMENT, LINE ITEM PRICES AND/OR TOTAL PROPOSAL PRICES AS PROPRIETARY OR TRADE SECRETS IS NOT ACCEPTABLE AND MAY RESULT IN THE REJECTION OF THE PROPOSAL.**

3. Oral Presentation: Offerors who submit a proposal in response to this RFP may be required to give an oral presentation of their proposal to a designated committee of the Commonwealth. This provides an opportunity for the Offeror to clarify or elaborate on the proposal. This would be a fact finding and explanation session only and does not include negotiation. The Commonwealth will schedule the time and location of these presentations. Oral presentations are an option of the Commonwealth and may or may not be required.

B. SPECIFIC REQUIREMENTS:

Proposals should be as thorough and detailed as possible so that the evaluation panel may properly evaluate your capabilities to provide the required services. Offerors are required to submit the following items, separated by tabs within the proposal, as a complete proposal:

TAB 1. The complete RFP (One Copy **in the Original Proposal Only**), the RFP cover sheet and addenda, if any, filled out as required and signed.

TAB 2. General Qualifications:

1. Describe your firm's qualifications and capabilities to meet the requirements of this RFP. Provide a short history of your firm.
2. Describe your firm's experience and performance record with managing money market funds under the Investment Company Act of 1940. List any rated and unrated funds that are currently managed.
3. Describe your firm's experience providing investment management services for tax-exempt bond proceeds. Provide a listing of all services provided in this regard, to include any services to assist clients in complying with federal arbitrage rebate regulations. Identify the types of bond issuers and amounts of bond proceeds managed over the last five years.
4. Submit three references including contact name, address, and telephone number, for whom you have provided similar services in the past of comparable size and nature. References submitted should be applicable to the specific services requested in this RFP. If you provide this service or a similar service to a state or municipal government, please use that entity(ies) as a reference. For each reference, describe the services provided to the reference by your firm.
5. Provide an organizational chart.
6. Provide a list of contact personnel including senior level management who will be responsible for the relationship between your firm and the Commonwealth of Virginia. Include the resume of each contact person.
7. Provide an escalation hierarchy that identifies the roles, responsibilities, location, and phone numbers of each contact. Provide separate lists for implementation and the on-going

relationship. Identify the primary contact for this engagement. Include the amount of time each person will dedicate to SNAPSM on the average.

TAB 3. Specific plans for providing the proposed goods/services including:

1. Address your firm's ability to provide the services noted in SECTION III, STATEMENT OF NEEDS. Restate each requirement and provide a full and complete response as to whether or not you can provide the service, how you will provide the service or the extent to which you can provide the service and any alternatives you would recommend in addition to or in lieu of the stated requirement.
2. The Contractor shall meet the REPORTING AND DELIVERY REQUIREMENTS as outlined in SECTION VI. Restate each requirement and discuss whether or not you can provide the service, how you will provide the service or the extent to which you can provide the service, recommend any alternatives in addition to or in lieu of the stated requirement.
3. Describe how your firm will manage the investment of bond proceeds to ensure compliance with federal arbitrage rebate requirements.
4. Discuss in detail your firm's ability and methodology to provide accurate and complete records of transactions to meet federal arbitrage rebate requirements and to meet participants' needs. Provide samples of statements to be provided.
5. Describe the computer hardware and software that your firm will utilize in performing the services of SNAPSM program/investment manager. What type of investment accounting and shareholding accounting software will be used?
6. Discuss your processes for interfacing with the SNAPSM rebate calculation agent, depository, and SNAPSM participants to include interactive communication capabilities such as providing participants on-line access to account information.
7. Describe in detail your firm's ability and methodology to estimating federal arbitrage rebate requirements. Describe the frequency of these estimates. Describe the quality controls utilized to maximize the accuracy of such estimates.
8. Describe your firm's approach to resolving mistakes made in estimating arbitrage rebate amounts. Describe problems that have arisen in similar situations and how your firm has handled them. If possible, please provide reference contacts for clients who experienced rebate calculation errors that were handled by your firm. Under this Contract, what will the approach be for handling such problems and is this different from the approach taken by the firm previously?
9. Describe your approach to customer service. Describe the quality controls in place to ensure high-quality customer service to clients. Include the following information:
 - a. Availability of staff capable of resolving inquiries
 - b. Turnaround time anticipated for inquiries
 - c. Toll-free access availability

10. Provide a well-defined systems backup plan for the services to be provided. Include your provisions for processing hardware, software and communications backup. Also, indicate if you have a disaster recovery plan. Identify your "hot site(s)" for emergency processing.
11. Describe your firm's marketing strategy for SNAPSM. If you are awarded this contract, how will you initially introduce your firm to SNAPSM participants? How will you market the SNAPSM Program on an on-going basis?
12. Describe fully your firm's transition plan and schedule to provide the services requested by the contract effective date. Include an estimated conversion calendar, including actions required for each task. Include the employees assigned to the conversion. Outline any assistance required of the Treasury Board, Treasury Department, and current Investment Manager during this conversion. Assume a contract effective date of October 1, 2004.
13. Provide any recommended changes to the SNAPSM Contract and/or Information Statement and Prospectus.
14. Include copies of any agreements or other documents, that the Commonwealth, or any other party, including other service contractors for the Treasury Board and SNAPSM participants, would be expected to sign if your institution is awarded this Contract.

TAB 4. Proposed Price:

1. Provide pricing information using the format outlined in **Section XI: Pricing Schedule**.
2. Please note that any charges not listed in your proposal will not be allowed unless additional services are requested. The Treasury Board must approve any additional services in advance.

TAB 5. Creative solutions and alternative suggestions:

1. All Offerors are encouraged to be as creative as possible in responding to this RFP. Based on your review of the background information, specific needs and requirements, and pertinent Sections of the Code of Virginia discuss any creative approaches to this service which have not been specifically requested or which would enhance efficiency and/or reduce costs.
2. Describe alternative investment options that SNAPSM should offer as its primary or secondary investment options to participants.

TAB 6. Small, Women-Owned, and Minority-Owned Business Participation:

The Offeror should submit three sets of data for small business, women-owned business minority-owned business: 1) ownership, 2) utilization of small, women-owned and minority-owned businesses for the most recent 12 months, and 3) planned involvement of small businesses, women-owned businesses and minority owned businesses on the current procurement. **Appendix B** contains the format for providing this information.

SECTION V EVALUATION AND AWARD CRITERIA

- A. All proposals received will be reviewed and evaluated by a Selection Committee. The Committee will recommend proposals, which most closely meet the requirements of the RFP. The following will be used in making the selection:
1. Offeror's Qualifications -- This criterion includes the ability of the Offeror to meet the terms of the RFP, the Offeror's experience providing similar services as required of the SNAPSM program/investment management, and the quality controls in place to ensure a high-quality service. (Weighted at 30%)
 2. Soundness of Approach -- Emphasis here is on the techniques for providing the services requested, and on the Offeror's capability to deliver the desired services on schedule, and any special processes which the Offeror believes may increase its ability to perform the contract. (Weighted at 30%)
 3. Pricing -- Charges should be broken down as outlined in Section XI, PRICING SCHEDULE. While this area will be weighted heavily, it will not be the primary deciding factor in the selection process. (Weighted at 30%)
 4. Creativity -- The Commonwealth is interested in creative and innovative responses to this RFP. Consideration will be given to suggested alternatives or additional services offered which may not be specifically requested. (Weighted at 5%)
 5. Participation of Small, Women-Owned, and Minority-Owned Businesses -- Emphasis is on the past, current, and planned utilization of businesses in the three classes identified. (Weighted at 5%)
- B. Award of Contract: Selection shall be made of two or more Offerors deemed to be fully qualified and best suited among those submitting proposals on the basis of the evaluation factors included in the Request For Proposals, including price, if so stated in the Request For Proposals. Negotiations shall be conducted with the Offerors so selected. Price shall be considered, but need not be the sole determining factor. After negotiations have been conducted with each Offeror so selected, the Treasury Board shall select the Offeror that, in its opinion, has made the best proposal, and shall award the Contract to that Offeror. The Commonwealth may cancel this Request For Proposals or reject proposals at any time prior to an award, and is not required to furnish a statement of the reason why a particular proposal was not deemed to be the most advantageous (Section 2.2-4359D, *Code of Virginia*). Should the Commonwealth determine in writing and in its sole discretion that only one Offeror is fully qualified, or that one Offeror is clearly more highly qualified than the others under consideration, a Contract may be negotiated and awarded to that Offeror. The award document will be a Contract incorporating by reference all the requirements, terms and conditions of the solicitation and the Contractor's proposal as negotiated. See **Appendix A**.

SECTION VI REPORTING AND DELIVERY REQUIREMENTS

The Contractor shall meet the following reporting and delivery requirements:

- A. Prepare and provide to each SNAPSM Fund participant monthly reports by the 5th working day of the next month, of its transactions, including purchases, interest received, distributions made, yield, net assets, and book value by account and, if requested, subaccount.
- B. Provide to participants quarterly statements of SNAPSM Fund assets and liabilities, income and expense.
- C. Provide to participants with individual portfolios monthly reports by the 5th of each month respecting their respective portfolios including purchase date, purchase price, the market price as of such date, accrued interest paid, face amount and coupon rate of investment, the periodicity of its interest payments, interest received, disposition price of securities sold or redeemed, disposition date, and market price at disposition date.
- D. Prepare and provide to the Treasury Board, monthly reports respecting the Fund, summarizing Fund activity for the month including (a) shares purchased and redeemed, (b) securities held, (c) assets and liabilities (d) income and expenses, (e) yield, (f) shares owned by each participant as of month end, (g) a monthly compliance report on adherence to investment restrictions, (h) an arbitrage tickler of upcoming rebate and arbitrage compliance due dates, and (i) such other information as the Treasury Board may reasonably request.
- E. Prepare and provide to the Treasury Board, monthly reports showing as to each Individual Portfolio (a) securities purchased and sold, (2) the par, cost, book, and market of securities held, (3) income and expenses, (4) yield, and (5) such other information as the Treasury Board may reasonably expect.
- F. Prepare and provide to participants annual statements summarizing transactions, earnings, and assets of each participant account for the fiscal year.
- G. Maintain all Program records and files, to the extent technologically feasible, in formats to meet the needs of the Treasury Board and other SNAPSM service providers, currently PDF, HTML, and/or CSV (comma delimited file format) formats.

Arbitrage Rebate Compliance – Reporting and Deliverables

- H. For each SNAPSM account that was maintained for the fiscal year, prepare and provide participants an annual performance worksheet that will assist participants in estimating their cumulative rebate liability at fiscal year end for financial reporting purposes.
- I. For participant bond issues that are eligible for one or more of the expenditure exceptions to rebate, approximately thirty days before any expenditure test date, prepare and provide a worksheet to each participant that compares the cumulative percentage of proceeds and earnings withdrawn to the expenditure requirements of any Expenditure Exception contained in the Internal Revenue Code or Rebate Regulations to assist the participants in determining their eligibility for such expenditure exception.

General - Reporting and Deliverables

- J. If you have suggestions to improve the effectiveness or efficiency of the reporting provided, please describe.

SECTION VII: PRE-PROPOSAL CONFERENCE

OPTIONAL PRE-PROPOSAL CONFERENCE: An optional pre-proposal conference will be held at 11:00 a.m. (EST) on Monday, March 15, 2004, at the Department of the Treasury, 101 North 14th Street, 3rd Floor in the Treasury Board Conference Room, Richmond, VA. The purpose of this conference is to allow potential Offerors an opportunity to present questions and obtain clarification relative to any facet of this solicitation.

While attendance at this conference will not be a prerequisite to submitting a proposal, Offerors who intend to submit a proposal are encouraged to attend. Any changes resulting from this conference will be issued in a written addendum to the solicitation.

SECTION VIII GENERAL TERMS AND CONDITIONS

- A. **VENDORS MANUAL:** This solicitation is subject to the provisions of the Commonwealth of Virginia *Vendors Manual* and any changes or revisions thereto, which are hereby incorporated into this Contract in their entirety. The procedure for filing contractual claims is in section 7.19 of the *Vendors Manual*. A copy of the manual is normally available for review at the purchasing office and is accessible on the Internet at www.dgs.state.va.us/dps under "Manuals."
- B. **APPLICABLE LAWS AND COURTS:** This solicitation and any resulting Contract shall be governed in all respects by the laws of the Commonwealth of Virginia and any litigation with respect thereto shall be brought in the courts of the Commonwealth. The Contractor shall comply with all applicable federal, state and local laws, rules and regulations. Venue shall be in state or federal court located in Richmond, Virginia.
- C. **ANTI-DISCRIMINATION:** By submitting their proposals, offerors certify to the Commonwealth that they will conform to the provisions of the Federal Civil Rights Act of 1964, as amended, as well as the Virginia Fair Employment Contracting Act of 1975, as amended, where applicable, the Virginians With Disabilities Act, the Americans With Disabilities Act and §2.2-4311 of the *Virginia Public Procurement Act*. If the award is made to a faith-based organization, the organization shall not discriminate against any recipient of goods, services, or disbursements made pursuant to the Contract on the basis of the recipient's religion, religious belief, refusal to participate in a religious practice, or on the basis of race, age, color, gender or national origin and shall be subject to the same rules as other organizations that contract with public bodies to account for the use of the funds provided; however, if the faith-based organization segregates public funds into separate accounts, only the accounts and programs funded with public funds shall be subject to audit by the public body. (*Code of Virginia* § 2.2-4343.1E).

In every Contract over \$10,000 the provisions in 1. and 2. below apply:

- 1. During the performance of this Contract, the Contractor agrees as follows:
 - a. The contractor will not discriminate against any employee or applicant for employment because of race, religion, color, sex, national origin, or disabilities, except where religion, sex or national origin is a bona fide occupational qualification reasonably necessary to the normal operation of the Contractor. The Contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices setting forth the provisions of this nondiscrimination clause.
 - b. The Contractor, in all solicitations or advertisements for employees placed by or on behalf of the Contractor, will state that such Contractor is an equal opportunity employer.
 - c. Notices, advertisements and solicitations placed in accordance with federal law, rule or regulation shall be deemed sufficient for the purpose of meeting these requirements.
 - 2. The Contractor will include the provisions of 1. above in every subcontract or purchase order over \$10,000, so that the provisions will be binding upon each subcontractor or vendor.
- D. **ETHICS IN PUBLIC CONTRACTING:** By submitting their proposals, offerors certify that their proposals are made without collusion or fraud and that they have not offered or received any kickbacks or inducements from any other offeror, supplier, manufacturer or subcontractor in connection with their proposal, and that they have not conferred on any public employee having official responsibility for this procurement transaction any payment, loan, subscription, advance, deposit of money, services or

anything of more than nominal value, present or promised, unless consideration of substantially equal or greater value was exchanged.

- E. IMMIGRATION REFORM AND CONTROL ACT OF 1986:** By submitting their proposals, offerors certify that they do not and will not during the performance of this Contract employ illegal alien workers or otherwise violate the provisions of the federal Immigration Reform and Control Act of 1986.
- F. DEBARMENT STATUS:** By submitting their proposals, offerors certify that they are not currently debarred by the Commonwealth of Virginia from submitting bids or proposals on contracts by any agency of the Commonwealth of Virginia for the type of goods and/or services covered by this solicitation, nor are they an agent of any person or entity that is currently so debarred.
- G. ANTITRUST:** By entering into a Contract, the Contractor conveys, sells, assigns, and transfers to the Commonwealth of Virginia all rights, title and interest in and to all causes of action it may now have or hereafter acquire under the antitrust laws of the United States and the Commonwealth of Virginia, relating to the particular goods or services purchased or acquired by the Commonwealth of Virginia under said Contract.
- H. MANDATORY USE OF STATE FORMS AND TERMS AND CONDITIONS:** Failure to submit a proposal on the official state form provided for that purpose shall be a cause for rejection of the proposal. Modification of or additions to any portion of the general terms and conditions of the solicitation may be cause for rejection of the proposal; however, the Commonwealth reserves the right to decide, on a case-by-case basis, in its sole discretion, whether to reject such a proposal.
- I. CLARIFICATION OF TERMS:** If any prospective offeror has questions about the specifications or other solicitation documents, the prospective offeror should contact the buyer whose name appears on the face of the solicitation no later than five working days before the due date. Any revisions to the solicitation will be made only by addendum issued by the buyer.
- J. PAYMENT:**
 - 1. To Prime Contractor:
 - a. Invoices for items ordered, delivered and accepted shall be submitted by the Contractor directly to the payment address shown on the purchase order/Contract. All invoices shall show the state Contract number and/or purchase order number; social security number (for individual Contractors) or the federal employer identification number (for proprietorships, partnerships, and corporations).
 - b. Any payment terms requiring payment in less than 30 days will be regarded as requiring payment 30 days after invoice or delivery, whichever occurs last. This shall not affect offers of discounts for payment in less than 30 days, however.
 - c. All goods or services provided under this Contract or purchase order, that are to be paid for with public funds, shall be billed by the Contractor at the Contract price, regardless of which public agency is being billed.
 - d. The following shall be deemed to be the date of payment: the date of postmark in all cases where payment is made by mail, or the date of offset when offset proceedings have been instituted as authorized under the Virginia Debt Collection Act.

- e. **Unreasonable Charges.** Under certain emergency procurements and for most time and material purchases, final job costs cannot be accurately determined at the time orders are placed. In such cases, Contractors should be put on notice that final payment in full is contingent on a determination of reasonableness with respect to all invoiced charges. Charges, which appear to be unreasonable, will be researched and challenged, and that portion of the invoice held in abeyance until a settlement can be reached. Upon determining that invoiced charges are not reasonable, the Commonwealth shall promptly notify the Contractor, in writing, as to those charges, which it considers unreasonable, and the basis for the determination. A Contractor may not institute legal action unless a settlement cannot be reached within thirty (30) days of notification. The provisions of this section do not relieve an agency of its prompt payment obligations with respect to those charges that are not in dispute (*Code of Virginia*, § 2.2-4363).
2. To Subcontractors:
- a. A Contractor awarded a Contract under this solicitation is hereby obligated:
 - (1) To pay the subcontractor(s) within seven (7) days of the Contractor's receipt of payment from the Commonwealth for the proportionate share of the payment received for work performed by the subcontractor(s) under the Contract; or
 - (2) To notify the agency and the subcontractor(s), in writing, of the Contractor's intention to withhold payment and the reason.
 - b. The Contractor is obligated to pay the subcontractor(s) interest at the rate of one percent per month (unless otherwise provided under the terms of the Contract) on all amounts owed by the Contractor that remain unpaid seven (7) days following receipt of payment from the Commonwealth, except for amounts withheld as stated in (2) above. The date of mailing of any payment by U. S. Mail is deemed to be payment to the addressee. These provisions apply to each sub-tier Contractor performing under the primary Contract. A Contractor's obligation to pay an interest charge to a subcontractor may not be construed to be an obligation of the Commonwealth.
- K. PRECEDENCE OF TERMS: Paragraphs A-J of these General Terms and Conditions shall apply in all instances. In the event there is a conflict between any of the other General Terms and Conditions and any Special Terms and Conditions in this solicitation, the Special Terms and Conditions shall apply.
- L. QUALIFICATIONS OF OFFERORS: The Commonwealth may make such reasonable investigations as deemed proper and necessary to determine the ability of the offeror to perform the services/furnish the goods and the offeror shall furnish to the Commonwealth all such information and data for this purpose as may be requested. The Commonwealth reserves the right to inspect offeror's physical facilities prior to award to satisfy questions regarding the offeror's capabilities. The Commonwealth further reserves the right to reject any proposal if the evidence submitted by, or investigations of, such offeror fails to satisfy the Commonwealth that such offeror is properly qualified to carry out the obligations of the Contract and to provide the services and/or furnish the goods contemplated therein.
- M. TESTING AND INSPECTION: The Commonwealth reserves the right to conduct any test/inspection it may deem advisable to assure goods and services conform to the specifications.

- N. ASSIGNMENT OF CONTRACT: A Contract shall not be assignable by the Contractor in whole or in part without the written consent of the Commonwealth.
- O. CHANGES TO THE CONTRACT: Changes can be made to the Contract in any of the following ways:
1. The parties may agree in writing to modify the scope of the Contract. An increase or decrease in the price of the Contract resulting from such modification shall be agreed to by the parties as a part of their written agreement to modify the scope of the Contract.
 2. The Issuing Agency may order changes within the general scope of the Contract at any time by written notice to the Contractor. Changes within the scope of the Contract include, but are not limited to, things such as services to be performed, the method of packing or shipment, and the place of delivery or installation. The Contractor shall comply with the notice upon receipt. The Contractor shall be compensated for any additional costs incurred as the result of such order and shall give the Issuing Agency a credit for any savings. Said compensation shall be determined by one of the following methods:
 - a. By mutual agreement between the parties in writing; or
 - b. By agreeing upon a unit price or using a unit price set forth in the Contract, if the work to be done can be expressed in units, and the Contractor accounts for the number of units of work performed, subject to the Issuing Agency's right to audit the Contractor's records and/or to determine the correct number of units independently; or
 - c. By ordering the Contractor to proceed with the work and keep a record of all costs incurred and savings realized. A markup for overhead and profit may be allowed if provided by the Contract. The same markup shall be used for determining a decrease in price as the result of savings realized. The Contractor shall present the Issuing Agency with all vouchers and records of expenses incurred and savings realized. The Issuing Agency shall have the right to audit the records of the Contractor, as it deems necessary to determine costs or savings. Any claim for an adjustment in price under this provision must be asserted by written notice to the Issuing Agency within thirty (30) days from the date of receipt of the written order from the Issuing Agency. If the parties fail to agree on an amount of adjustment, the question of an increase or decrease in the Contract price or time for performance shall be resolved in accordance with the procedures for resolving disputes provided by the Disputes Clause of this Contract or, if there is none, in accordance with the disputes provisions of the Commonwealth of Virginia *Vendors Manual*. Neither the existence of a claim nor a dispute resolution process, litigation or any other provision of this Contract shall excuse the Contractor from promptly complying with the changes ordered by the Issuing Agency or with the performance of the Contract generally.
- P. DEFAULT: In case of failure to deliver goods or services in accordance with the Contract terms and conditions, the Commonwealth, after due oral or written notice, may procure them from other sources and hold the Contractor responsible for any resulting additional purchase and

administrative costs. This remedy shall be in addition to any other remedies that the Commonwealth may have.

- Q. TAXES: Sales to the Commonwealth of Virginia are normally exempt from State sales tax. State sales and use tax certificates of exemption, Form ST-12, will be issued upon request. Deliveries against this Contract shall usually be free of Federal excise tax and transportation taxes. The Commonwealth's excise tax exemption registration numbers is 54-73-0076K.
- R. USE OF BRAND NAMES: Omitted.
- S. TRANSPORTATION AND PACKAGING: Omitted.
- T. INSURANCE: By signing and submitting a proposal under this solicitation, the Offeror certifies that if awarded the Contract, it will have the following insurance coverages at the time the Contract is awarded. For construction Contracts, if any subcontractors are involved, the subcontractor will have workers' compensation insurance in accordance with §§ 2.2-4332 and 65.2-800 et seq. of the *Code of Virginia*. The Offeror further certifies that the Contractor and any subcontractors will maintain these insurance coverages during the entire term of the Contract and that all insurance coverages will be provided by insurance companies authorized to sell insurance in Virginia by the Virginia State Corporation Commission.

INSURANCE COVERAGES AND LIMITS REQUIRED:

1. Worker's Compensation - Statutory requirements and benefits; require that the Commonwealth of Virginia be added as an additional named insured on Contractor's policy.
 2. Employers Liability - \$100,000.
 3. Commercial General Liability - \$500,000 combined single limit. Commercial General Liability is to include Premises/Operations Liability, Products and Completed Operations Coverage, and Independent Contractor's Liability or Owner's and Contractor's Protective Liability. The Commonwealth of Virginia is to be named as an additional named insured with respect to the services being procured. These coverages are to include Products and Completed Operations Coverage.
 4. Automobile Liability - \$500,000 - Combined single limit. (Only used if motor vehicle is to be used in the Contract.)
- U. ANNOUNCEMENT OF AWARD: Upon the award or the announcement of the decision to award a Contract as a result of this solicitation, the Issuing Agency will publicly post such notice on the 3rd floor receptionist area, Department of the Treasury, 101 N. 14th Street, Richmond, Virginia, the DGS/DPS eVA website www.eva.state.va.us and on the Treasury website at www.trs.state.va.us for a minimum of 10 days.
- V. DRUG-FREE WORKPLACE: During the performance of this Contract, the Contractor agrees to (i) provide a drug-free workplace for the Contractor's employees; (ii) post in conspicuous places, available to employees and applicants for employment, a statement notifying employees that the unlawful manufacture, sale, distribution, dispensation, possession, or use of a controlled substance or marijuana is prohibited in the Contractor's workplace and specifying the actions that will be taken against employees for violations of such prohibition; (iii) state in all solicitations or advertisements

for employees placed by or on behalf of the Contractor that the Contractor maintains a drug-free workplace; and (iv) include the provisions of the foregoing clauses in every subcontract or purchase order of over \$10,000, so that the provisions will be binding upon each subcontractor or vendor.

For the purposes of this section, "drug-free workplace" means a site for the performance of work done in connection with a specific Contract awarded to a Contractor, the employees of whom are prohibited from engaging in the unlawful manufacture, sale distribution, dispensation, possession or use of any controlled substance or marijuana during the performance of the Contract.

- W. **NONDISCRIMINATION OF CONTRACTORS:** A bidder, offeror, or Contractor shall not be discriminated against in the solicitation or award of this Contract because of race, religion, color, sex, national origin, age, or disability or against faith-based organizations. If the award of this Contract is made to a faith-based organization and an individual, who applies for or receives goods, services, or disbursements provided pursuant to this Contract objects to the religious character of the faith-based organization from which the individual receives or would receive the goods, services or disbursements, the public body shall offer the individual, within a reasonable period of time after the date of his objection, access to equivalent goods, services or disbursements from an alternative provider.
- X. **EVA BUSINESS-TO-GOVERNMENT VENDOR REGISTRATION:** The awarded Contractor will be expected to register with the eVA and the Ariba Commerce Services Network Vendor Registration Systems at the following website: www.eva.state.va.us or by calling the eVA Supplier Help Line at 1-866-289-7367. All Contractors desiring to provide goods and/or services to the Commonwealth shall participate in the eVA Internet e-procurement solution either through the eVA Basic Vendor Registration Service (\$25.00) or eVA Premium Vendor Registration Service (\$200.00), and complete the Ariba Commerce Services Network Registration. Treasury will issue a blanket purchase order to the Contractor annually. The Contractor will reference the purchase order number on each invoice submitted to Treasury. The eVA transaction fee will be billed to the Contractor at the point the blanket purchase order is issued. The maximum eVA transaction fee is 1% of each transaction or a maximum of \$500.00 for each transaction, whichever is less. The blanket purchase order is considered one transaction; therefore, the maximum eVA transaction fee that will be charged to the Contractor will be \$500.00. All Offerors must register in eVA; failure to register will result in the proposal being rejected.

SECTION IX SPECIAL TERMS AND CONDITIONS

- A. **ADVERTISING:** In the event a Contract is awarded for supplies, equipment, or services resulting from this proposal, no indication of such sales or services to the Treasury Board will be used in product literature or advertising. The Contractor shall not state in any of the advertising or product literature that the Commonwealth of Virginia or any agency or institution of the Commonwealth has purchased or uses its products or services.
- B. **AUDIT:** The Contractor hereby agrees to retain all books, records, and other documents relative to this Contract, electronically and/or by hard copy, until termination of the contract at which time such books, records, and documents will be transferred to the successor investment manager or the Treasury Board. The agency, its authorized agents, and/or State auditors shall have full access to and the right to examine any of said materials during said period.
- C. **AVAILABILITY OF FUNDS:** It is understood and agreed between the parties herein that the agency shall be bound hereunder only to the extent of the funds available or which may hereafter become available for the purpose of this agreement. (See Section X: Method of Payment.)
- D. **AWARD OF CONTRACT:** Selection shall be made of two or more Offerors deemed to be fully qualified and best suited among those submitting proposals on the basis of the evaluation factors included in the Request for Proposals, including price, if so stated in the Request for Proposals. Negotiations shall be conducted with the Offerors so selected. Price shall be considered, but need not be the sole determining factor. After negotiations have been conducted with each Offeror so selected, the Treasury Board shall select the Offeror that, in its opinion, has made the best proposal, and shall award the Contract to that Offeror. The Commonwealth may cancel this Request for Proposals or reject proposals at any time prior to an award, and is not required to furnish a statement of the reason why a particular proposal was not deemed to be the most advantageous. (Section 2.2-4359D, *Code of Virginia*.) Should the Commonwealth determine in writing and in its sole discretion that only one Offeror is fully qualified, or that one Offeror is clearly more highly qualified than the others under consideration, a Contract may be negotiated and awarded to that Offeror. The award document will be a Contract incorporating by reference all the requirements, terms and conditions of the solicitation and the Contractor's proposal as negotiated.
- E. **BEST AND FINAL OFFER (BAFO):** At the conclusion of negotiations, the offeror(s) may be asked to submit in writing, a best and final offer (BAFO). After the BAFO is submitted, no further negotiations shall be conducted with the offeror(s). The offeror(s) proposal(s) will be rescored to combine and include the information contained in the BAFO. The decision to award will be based on the final evaluation including the BAFO.
- F. **BID ACCEPTANCE PERIOD:** Any bid in response to this solicitation shall be valid for 120 days. At the end of the 120 days the bid may be withdrawn at the written request of the Bidder. If the bid is not withdrawn at that time it remains in effect until an award is made or the solicitation is cancelled.
- G. **CANCELLATION OF CONTRACT:** The issuing Agency reserves the right to cancel and terminate any resulting Contract, in part or in whole, without penalty, upon 90 days written notice to the Contractor. In the event the initial Contract period is for more than 12 months, the resulting Contract may be terminated by either party, without penalty, after the initial 12 months of the Contract period upon 90 days written notice to the other party. Any Contract cancellation notice shall not relieve the Contractor of the obligation to deliver and/or perform on all outstanding orders issued prior to the effective date of cancellation.

- H. **EXTRA CHARGES NOT ALLOWED:** No additional charges will be allowed under the Contract. Any changes to the scope of services that impact prices must be approved in advance by the Treasury Board.
- I. **INSURANCE, MONEY AND SECURITIES:** Contractor shall maintain a Broad Form Money and Securities Insurance Policy obtained from an insurance company licensed to conduct crime insurance business in the home state of the Contractor and which has earned an A.M. Best Company, Inc. rating of A or better, as reflected in their most current publication, covering all money and property entrusted to the Contractor by the Commonwealth of Virginia for Loss Inside the Premises Coverage and for Loss Outside the Premises Coverage, with limits of coverage to be determined by the Contractor and the Treasury Board. Certificate of such protection must be presented to the Issuing Agency prior to the start of the service showing name of insurance company, limits and types of coverage, term of coverage, additional insured provision and name and address of licensed insurance agent. The Contractor agrees to maintain such policy until the completion of the Contract and all money and property of the Commonwealth is remitted to the Commonwealth.
- J. **LATE PROPOSALS:** To be considered for selection, proposals must be received by the Department of the Treasury by the due date and time designated on the cover page of this RFP. Proposals received after the due date and time are automatically disqualified and will not be considered. The Department of the Treasury is not responsible for delays in the delivery of mail by the U. S. Postal Service or private couriers. It is the sole responsibility of the Offeror to ensure that its proposal reaches Treasury by the designated due date and time.
- K. **PRIME CONTRACTOR RESPONSIBILITIES:** The Contractor shall be responsible for completely supervising and directing the work under this Contract and all subcontractors that he may utilize, using his best skill and attention. Subcontractors who perform work under this Contract shall be responsible to the prime Contractor. The Contractor agrees that he is as fully responsible for the acts and omissions of his subcontractors and of persons employed by them as he is for the acts and omissions of his own employees.
- L. **SUBCONTRACTS:** No portion of the work shall be subcontracted without prior written consent of the issuing Agency. In the event that the Contractor desires to subcontract some part of the work specified herein, the Contractor shall furnish the Issuing Agency the names, qualifications and experience of their proposed subcontractors. The Contractor shall, however, remain fully liable and responsible for the work to be done by its subcontractor(s) and shall assure compliance with all requirements of the Contract.

SECTION X METHOD OF PAYMENT

It is anticipated that costs associated with management of the SNAPSM Fund including investment management, depository services, legal fees, and audits will be paid from the earnings of the SNAPSM Fund prior to distribution of earnings to participants. Monthly, the SNAPSM Administrator at the Department of the Treasury will be provided an itemized listing of expenses paid from the SNAPSM Fund by the Investment Manager. The SNAPSM Administrator has the authority to request documentation to support all expenses paid from the SNAPSM Fund and to dispute those not directly related to the activities of the SNAPSM Program and/or not allowed by this Contract. Expenses related to the management of individually managed portfolios shall be directly billed by the Investment Manager to each participant.

SECTION XI PRICING SCHEDULE

The completed pricing schedule must be contained within Section IV, Tab 4; of the Offeror's proposal. Refer to Section IV: PROPOSAL PREPARATION AND SUBMISSION REQUIREMENTS.

1. Describe in detail the management fee that your firm will charge to function as program/investment manager of SNAPSM. It is anticipated that all expenses of the SNAPSM Fund will be derived from investment earnings of the Fund. The fee should be stated as a percentage of average assets under management. **It should be understood that the size of the Fund will vary and the responsibilities of the program/investment manager will remain the same no matter the size.**

If your firm will charge expenses, other than your management fee; custody, transfer agent, and depository fees; audit and legal fees, such as routine mutual fund operating expenses to the SNAPSM Fund, the types of these expenses and the anticipated cost of each type of expense must be itemized as part of this Pricing Schedule.

Expenses for services not addressed in this Schedule will not be allowed to be charged to the SNAPSM Fund during the course of this Contract without the prior approval of the Treasury Board.

2. Specify the fee structure for managing individual portfolios. Fees should be stated as a percentage of average assets under management.
3. It is anticipated that the Successor Program/Investment Manager will pay for transition costs that are not expressly required to be paid by the current Program/Investment Manager under the SNAPSM Contract. If your firm proposes to have Treasury Board or the SNAPSM Fund pay for any transition costs, they must be expressly outlined in this Price Proposal: (a) Discuss any transition costs related to establishing the services requested; (b) Discuss any transition costs that would be assessed at the end of the Contract to transfer services to a Successor Program/Investment Manager.

SECTION XII APPENDICES and DEFINITIONS

APPENDIX A
CONTRACT RESPECTING THE VIRGINIA STATE NON-ARBITRAGE PROGRAM
(pages 26-46)

Appendix A sets forth the **existing** Contract. Please note any suggestions or additions you would like considered.

CONTRACT
RESPECTING THE VIRGINIA
STATE NON-ARBITRAGE PROGRAM

THIS CONTRACT respecting the Virginia State Non-Arbitrage Program is made the 1st day of December, 2002, by the parties signatory and deemed signatory hereto, being hereinafter called the "Parties".

W I T N E S E T H :

WHEREAS, the Parties desire to maintain a program begun on March 1, 1989, known as the Virginia State Non-Arbitrage Program (the "Program" or "SNAPSM"), under the laws of Virginia, and specifically the Government Non-Arbitrage Investment Act, Chapter 47, Title 2.2, Code of Virginia, 1950, as amended (the "SNAPSM Act"), to provide for the investment and reinvestment of the proceeds of bonds (and related funds) issued by the Commonwealth of Virginia, counties, cities, and towns in the Commonwealth, and their agencies, institutions and authorities ("Issuers") which by their deposit of such proceeds in the Program are deemed signatory to this Contract ("Participants") and therefore Parties hereto; and

WHEREAS, a bank or trust company shall at all times keep custody of the cash and securities that are the assets of the Program and such bank or trust company that at the time shall be party to the Depository Agreement (hereinafter mentioned) is thereby also deemed signatory to this Contract and therefore a party hereto;

NOW, THEREFORE, the Parties hereby declare that there shall be held in the Program all money and property contributed to the Program and the same shall be managed and disposed of for the benefit of the Participants and subject to the provisions hereof, to wit:

ARTICLE I

The Program

1.1. Program. The Treasury Board has determined that the needs of the Participants described in the SNAPSM Act can best be fulfilled through the Program that combines a money market mutual fund (the "Fund") with discrete investments with longer terms of more than 12 months and up to five years ("Individual Portfolios").

1.2. Purpose. Certain provisions of the federal Tax Reform Act of 1986 have imposed on Issuers that borrow money the onus of computing an artificial yield on certain investments associated with such borrowing and of rebating to the federal government investment earnings in excess of such yield. The administrative and legal requirements of compliance with such provisions are extensive, complicated and expensive. In the SNAPSM Act, the General Assembly

authorized the Treasury Board to make available to Issuers assistance in making and accounting for such investments. The SNAPSM Act provides that the Treasury Board is empowered, among other things, (i) to provide assistance to Issuers in the management of and accounting for their funds, including, without limitation, bond proceeds, and the investment thereof, any portion of the investment earnings on which is or may be subject to rebate to the federal government, (ii) to establish one or more pools of their bond proceeds and other funds for investment and reinvestment in authorized investments, and (iii) to enter into contracts with independent investment managers, accountants, counsel, depository institutions and other advisors and agents and with Issuers with respect to the provision of investment and related services and advice.

This Contract respecting SNAPSM is made for the purpose of implementing the goals of the SNAPSM Act in providing to Issuers at reasonable cost expert investment management, legal and rebate calculation services and advice in connection with the discharge of their legal obligation to rebate to the federal government investment earnings in excess of such yield.

1.3. Definitions. In addition to the terms elsewhere defined in this Contract, the following terms shall have the following meanings:

“Bonds” shall mean bonds described in the definition of “Bonds” under the SNAPSM Act.

“Contract” shall mean this Contract as amended from time to time. References in this Contract to **“Contract”**, **“hereof”**, **“hereto”** and **“hereunder”** shall be deemed to refer to the Contract rather than the article or section in which such words appear.

“Depository” shall mean Wachovia Bank, N.A., Richmond, Virginia, so long as it is the incumbent of the position of Depository under Article VI of this Contract and its successors appointed under Section 6.6 of this Contract.

“Depository Agreement” shall mean the Depository Agreement, appended as Exhibit A to this Contract, between the Treasury Board and the Depository, and any successor contract with a successor to the Depository as provided in Section 6.6.

“Fund” shall mean the SNAPSM Fund, a series of shares of Evergreen Institutional Trust, a Delaware business trust.

“Fund Assets” shall mean as of any particular time any and all assets and property, real or personal, tangible or intangible, which at such time is owned or held by or for the account of the Fund.

“Individual Portfolio” shall mean as of any particular time the discrete investments made by the Investment Manager on behalf, and held by the Depository in the name, of a Participant in accordance with Section 3.5(b) of this Contract. The assets of an Individual Portfolio do not constitute Fund Assets.

“Information Statement” shall mean the currently effective Information Statement describing the Program and including the Fund prospectus incorporated by reference therein.

“Investment Manager” shall mean Evergreen Investment Management Company LLC (“Evergreen Investments” or “Evergreen”), formerly Mentor Investment Advisors, LLC., so long as it is the incumbent of the position of Investment Manager under Article III of this Contract and its successors appointed under Section 3.11 of this Contract.

“Investment Policies” shall mean the investment guidelines and restrictions set forth or incorporated by reference in the Fund prospectus and in the Information Statement.

“Participants” shall mean as of any particular time all the Issuers that are holders of record of outstanding Shares at such time, or that have assets in Individual Portfolios.

“Person” shall mean and include individuals, corporations, partnerships, pools, associations, joint ventures and other entities, whether or not legal entities, and governments and agencies and political subdivisions thereof.

“Program” shall mean as of any particular time any and all assets and property, real or personal, tangible or intangible, which at such time is owned or held by or for the account of the Program.

“Program Property” shall mean as of any particular time any and all assets and property, real or personal, tangible or intangible, which at such time is owned or held by or for the account of the Program.

“Rebate Calculation Agent” shall mean Ernst & Young LLP so long as it is the incumbent of the position of Rebate Calculation Agent under Article VII of this Contract and its successors appointed under Section 7.2 of this Contract.

“Shares” shall mean the equal proportionate units of interest into which the beneficial interest in the Fund shall be divided from time to time and includes fractions of Shares as well as whole Shares.

“Special Counsel” shall mean Sidley Austin Brown & Wood LLP (formerly, Brown & Wood LLP) so long as it is the incumbent of the position of Special Counsel to the Treasury Board with respect to the Program under Article VII of this Contract and its successors appointed under Section 7.1 of this Contract.

“1940 Act” refers to the Investment Company Act of 1940 and the regulations promulgated thereunder, as amended from time to time. References to the 1940 Act shall mean that the action contemplated is to be taken in accordance with the 1940 Act notwithstanding that the Individual Portfolios are legally exempt from the provisions of the 1940 Act.

ARTICLE II

Treasury Board

2.1. Powers. The Treasury Board may exercise the statutory powers heretofore and hereafter granted by the General Assembly in furtherance of the purposes of the Program. The

Treasury Board may remove and appoint successors to the Investment Manager, the Depository, the Rebate Calculation Agent and Special Counsel, all in accordance with this Contract.

2.2. Further Powers. The Treasury Board shall have power to conduct the business of the Program and carry on its operations, and to do all such other things and execute all such instruments as it deems necessary, proper or desirable in order to promote the interests of the Program although such things are not herein specifically mentioned. Any determination as to what is in the interests of the Program made by the Treasury Board in good faith shall be conclusive. In construing the provisions of this Contract, the presumption shall be in favor of a grant of power to the Treasury Board.

2.3. Regulations. The Treasury Board may adopt and from time to time amend or repeal the guidelines, standards and regulations for the conduct of the business of the Program. Such guidelines, standards and regulations adopted by the Treasury Board may be set forth in the Information Statement. The Treasury Board will promptly provide to the Investment Manager and the Depository a copy of any changes in its guidelines, standards and regulations.

2.4. Delegation to State Treasurer. The Treasury Board may delegate, subject to appropriate guidelines and standards, to the State Treasurer all or any of its rights and obligations under this Contract as it shall at the time be authorized so to delegate by §2.2-4702.6 of the SNAPSMSM Act or by other provisions of law.

2.5. Expenses. The Treasury Board shall have power to incur and pay any expenses which in its opinion are necessary or incidental to carry out any of the purposes of this Contract. The Treasury Board shall fix or set the formula for the compensation of the Investment Manager, the Depository, the Rebate Calculation Agent and Special Counsel in each instance, to the extent related to the Program. The compensation of Special Counsel is also subject to the approval of the Attorney General. Compensation and expenses payable with respect to Individual Portfolios shall be fixed, or parameters therefor shall be established, by the Treasury Board. Effective July 1, 2002, Treasury Board shall assess an annual fee against the Fund for its oversight of the Program. Such fee shall be \$50,000 for the fiscal year ended June 30, 2003, shall accrue daily, shall be payable quarterly and may be revised not more often than once for each fiscal year. Treasury Board shall endeavor to give the Participants at least 30 days' notice of any change in the amount of the annual fee.

2.6. Miscellaneous Powers. The Treasury Board shall have the power to: (a) employ or contract with such Persons as the Treasury Board may deem desirable for the transaction of the business of the Program; (b) purchase, and cause to be paid for, out of Program Property, insurance policies insuring the Treasury Board against all claims arising by reason of holding any such position or by reason of any action taken or omitted by the Treasury Board in connection with the Program, whether or not constituting negligence; (c) determine and change the fiscal year of the Program and the method in which its accounts shall be kept; and (d) adopt a seal for the Program but the absence of such seal shall not impair the validity of any instrument executed on behalf of the Program.

2.7. The Fund. Since the Treasury Board will not control directly, for the benefit of the Participants, the Fund and since the operations of the Fund will be integral to the operation of

the Program, the Participants hereby agree that Treasury Board shall have and may exercise for and on behalf of the Participants the following powers in the following circumstances:

- (a) If the Fund shall not at any time comply with, or shall not invest the Fund Assets in accordance with, or shall amend, without the consent of the Treasury Board, the Investment Policies, or
- (b) If the Fund shall charge or pay fees or expenses in excess of those contemplated by this Contract, or
- (c) If the Fund prospectus shall be amended to offer Shares in the Fund to other than Virginia Issuers without the prior consent of the Treasury Board or the State Treasurer, or
- (d) If the Fund shall accept investments from other than Virginia Issuers without the prior consent of Treasury Board, or
- (e) If the Fund shall amend the Fund prospectus in any way not satisfactory to the Treasury Board, or
- (f) If Treasury Board shall terminate the employment of Evergreen Investments as Investment Manager of SNAPSM or its term as Investment Manager shall expire and Treasury Board shall not reappoint Evergreen Investments as the Investment Manager of SNAPSM, or
- (g) If the Treasury Board shall find that the conduct of any person providing services to the Fund, including, without limitation, custodians of Fund Assets, auditors, and counsel, or that the compensation or fees paid or expenses reimbursed to any such persons by the Fund, are inconsistent with the contracts (between such persons and the Fund) on file with the Treasury Board,

then, in any such event, the State Treasurer shall, unless she deems it in the best interests of the Participants to do otherwise, redeem all the Shares of the Fund, and

- (h) If the Treasury Board shall resolve, or if the State Treasurer shall determine, at any time that it is in the best interests of the Participants for the State Treasurer to redeem all the Shares of all the Participants, then the State Treasurer shall redeem all the Shares of all the Participants.

ARTICLE III

Investment Manager

3.1. Management Arrangements. The Treasury Board hereby authorizes the Investment Manager, in accordance with the terms and provisions of this Contract and subject to such general or specific instructions as the Treasury Board may from time to time adopt, to effect purchases, sales or exchanges of Shares of the Fund and portfolio securities of any Individual Portfolios, all without further action by the Treasury Board but in strict accordance with the Information Statement. Any such purchases, sales and exchanges shall be deemed to have been

authorized by the Treasury Board. The Treasury Board shall provide to the Investment Manager a copy of each such instruction, and the Investment Manager shall be bound by such instruction upon its receipt thereof.

3.2. Distribution Arrangements. The Investment Manager shall, unless otherwise directed by the Treasury Board, make available the Information Statement and this Contract to the Issuers. The form and content of the Information Statement, and amendments thereto and any ancillary material to be provided to Participants and prospective Participants, are subject to prior approval of the Treasury Board or the State Treasurer.

3.3. The Fund. Subject to the provisions of this Contract and the Information Statement, the Treasury Board shall have no control over the investment and reinvestment of Fund Assets. Legal title to all Fund Assets shall vest in the Fund and beneficial ownership thereof, evidenced by Shares, shall vest in the Participants. For purposes of convenience, all Shares in the Fund shall be registered in the nominee name of the Treasury Board, and information respecting the purchase, holding and sale of the Participants' beneficial interest in the Shares shall be recorded and maintained by the Investment Manager as described herein and in particular Section 3.4 and in the Information Statement.

3.4. Responsibilities of the Investment Manager. (a) The Investment Manager shall, in accordance with the terms of this Contract and the Information Statement, manage and direct the temporary investment and reinvestment of all moneys to the credit of any Individual Portfolios pending their disbursement to the Participants.

(b) In general, the duties of the Investment Manager shall include the following:

(i) Assistance to the Participants to develop accurate draw down schedules to be used for the development of the investment program;

(ii) Maintenance, aggregation and updating of Participant draw down schedules to ensure optimum investment returns consistent with the required availability of funds;

(iii) Coordination with the Depository of information flow and funds availability and directing the Depository as to payment or non-payment of instruments drawn on Participants' accounts;

(iv) Coordination with the Depository of the maintenance of ongoing records of investments, investment return and earnings by the Participants from the Fund and from Individual Portfolios;

(v) Conduct of an investment program by investment in Fund Shares and other property in accordance with arbitrage rebate requirements as interpreted by Special Counsel and assistance to the Rebate Calculation Agent in periodic preparation of arbitrage rebate calculations and reports;

(vi) Investment and reinvestment in Fund Shares and other property in accordance with Section 3.5;

(vii) Supervision of the safe delivery to the Depository of all securities and collateral and preparation and processing of all receipts, order confirmations and records needed for bookkeeping, accounting, auditing and reporting;

(viii) Provision to each Participant of confirmation of each purchase and redemption of Shares by such Participant;

(ix) Preparation, and provision to each Participant, of monthly reports of all Fund transactions, including (A) Shares purchased and redeemed; (B) interest received and distributions made; (C) yield; (D) net assets; and (E) book value;

(x) Preparation, and provision to the Treasury Board, of (A) monthly reports respecting the Fund, showing (I) Shares purchased and redeemed, (II) securities held, (III) income and expenses, (IV) yield, (V) Shares owned by each Participant as of month end and (VI) such other information as the Treasury Board may reasonably request and (B) quarterly compliance reports respecting the Program;

(xi) Provision to the Participants of quarterly statements of Fund assets and liabilities, income and expense;

(xii) Provision to the Rebate Calculation Agent, as a hard copy or electronically as the Rebate Agent may reasonably request, of its monthly reports to the Participants and to the Treasury Board and such other information as the Rebate Calculation Agent shall reasonably require to perform the services required of it by Section 7.2 of this Contract;

(xiii) Preparation, printing and distribution of the initial Information Statement and any reprints with or without amendments and other information regarding SNAPSM to Issuers.

(xiv) Maintenance of a AAam rating on the Fund by Standard & Poor's Rating Service;

(xv) Preparation and timely filing of tax returns for SNAPSM.

(xvi) Maintenance and surveillance of the SNAPSM web page, such page to be edited timely to reflect changes in or to cure omissions from information contained on, incorporated by reference into, or linked to, such page, such changes being made to assure that the web page does not contain, incorporate or link to a misstatement or omit a material fact necessary to a correct understanding of such information on, incorporated in or linked to such page, any such changes to be submitted for prior review by Special Counsel and by the State Treasurer at

least five (5) business days prior to release and SNAPSM web page maintenance and surveillance to be reported on quarterly in the compliance reports to the Treasury Board; and

(xvii) Provision, no later than November 1, 2000, for SNAPSM Website interactive enhancements to enable on-line access capabilities by Participants, specifically to include on-line account inquiry for balances and transactions, on-line statement download or delivery (download by the Participant or delivery by electronic mail, initiated by Evergreen Investments), and on-line historical data retrieval of Fund yield and assets.

(c) The Investment Manager shall provide to Participants with Individual Portfolios monthly reports respecting their respective Portfolios including:

- (i) the purchase date of each investment,
- (ii) the purchase price,
- (iii) the information establishing that the purchase price is the Market Price as of such date,
- (iv) any accrued interest paid,
- (v) the face amount,
- (vi) the coupon rate,
- (vii) the periodicity of its interest payments,
- (viii) the disposition price of each security sold or redeemed,
- (ix) disposition date,
- (x) information establishing that the disposition price is the market price as of such date, and
- (xi) interest received.

The Investment Manager shall prepare, and provide to the Treasury Board, monthly reports showing as to each Individual Portfolio (i) securities purchased and sold, (ii) securities held, (iii) income and expenses, (iv) yield and (v) such other information as the Treasury Board may reasonably request.

(d) The Investment Manager agrees that throughout the term of this Contract, the Investment Manager will comply with all the terms and conditions set forth or incorporated by reference in the Request for Proposals #TB99-007 for Program/Investment Manager for the State Non-Arbitrage Program issued by the Treasury Board on November 17, 1998.

(e) All duties of the Investment Manager shall be performed on a timely basis on a schedule approved by the State Treasurer.

(f) The Investment Manager shall maintain all Program records and files, to the extent technologically feasible, in a format readable in PDF or HTML.

3.5. Investments. (a) The Investment Manager shall have the power to subscribe for, invest in, reinvest in, purchase or otherwise acquire, hold, pledge, sell, assign, transfer, exchange, distribute or otherwise deal in or dispose of Fund shares and such other negotiable instruments, and obligations as are legal investments for the proceeds of bonds of Issuers under Section 15.2-2625 and Chapter 45, Title 2.2, Code of Virginia 1950, as the same may be from time to time amended, and other provisions of applicable Virginia law and as are provided for in the Information Statement and not prohibited by the Investment Policies or applicable Bond documents of the Issuer; and to exercise any and all rights, powers and privileges of ownership or interest in respect of any and all such investments of every kind and description, including, without limitation, the right to consent and otherwise act with respect thereto, with power to designate one or more persons, firms, associations or corporations to exercise any of said rights, powers and privileges in respect of any said instruments.

(b) The Investment Manager shall also have power, when in its judgment, the best interests of the affected Participant would be served, and with the written consent of the affected Participant to invest that portion of the Participant's bond proceeds, reserve funds and other funds (but not sinking funds) which the Participant does not reasonably expect to draw down within 12 months of the date of issue of such bonds in an Individual Portfolio with investments with remaining maturities of more than one and less than five years. All moneys not disbursed to or for the account of the Participant as of the maturity date of each such investment shall be applied to the purchase of Shares in the Fund on such date.

The provisions of this Article III shall apply to each Individual Portfolio and to the Investment Manager in connection with each such Individual Portfolio to the extent the same may be applicable. The assets of the Individual Portfolios shall be held by the Depository.

3.6. Method of Investment. The Investment Manager shall place all orders for the purchase, **sale**, or exchange of securities for the Individual Portfolios with brokers or dealers approved by the State Treasurer, and to that end the Investment Manager is authorized to give oral instructions to the Depository as to deliveries of securities and payments of cash for the account of the Program. In connection with the placing of such orders, the Investment Manager is directed to seek for the Program the most favorable execution and price. After fulfilling this primary requirement of seeking the most favorable execution and price, the Investment Manager is hereby expressly authorized to consider, subject to any applicable laws, rules and regulations, whether statistical, research and other information or services have been furnished to the Investment Manager or the Program by such brokers or dealers.

3.7. Issuance and Repurchase of Securities. The Investment Manager shall have the power to issue, sell, repurchase, redeem, retire, cancel, acquire, hold, resell, reissue, dispose of, transfer, and otherwise deal in, Shares, including shares in fractional denominations.

3.8. Custody of Cash and Investments. The Investment Manager shall not take possession of or act as custodian for the Bond proceeds or related funds of the Participants or of the assets of any Individual Portfolios but shall direct delivery thereof to the Depository.

3.9. Liability. The Investment Manager shall not be liable to the Participant for the results of its investment program unless and to the extent that the results reflect a breach of its duties under this Contract, bad faith or gross negligence.

3.10. Termination. (a) The term of this Contract shall commence on December 1, 2002 and, subject to the provisions of subsection (c) of this section, shall expire on May 2, 2004.

(b) The Treasury Board may terminate its employment of the Investment Manager at the time being, without penalty, on not less than 60 days' prior written notice to the Investment Manager. Twelve months after the date of this Contract, the Investment Manager may resign its position under this Contract on not less than 60 days' written notice. Such notice of termination or resignation shall also be given to all the other Parties to this Contract.

(i) The retiring Investment Manager shall cooperate with the successor Investment Manager by furnishing copies of all records relating to the investments of the Fund (to the extent permitted by applicable law) and all Individual Portfolios to the successor Investment Manager.

(Y) The retiring Investment Manager shall cooperate with the successor Investment Manager by providing to the successor Investment Manager, immediately upon request by the Treasury Board during the transition period at no charge to the Treasury Board, the Fund, Individual Portfolios, or the successor Investment Manager, all records and information relating to the Program, as defined by the responsibilities of the Investment Manager in this Contract and the Information Statement

(Z) Specifically, the retiring Investment Manager shall execute the transfer to the successor Investment Manager (i) electronically of all investment-related data within five (5) business days of contract award and (ii) by hard copy of all investment-related data within 21 business days of contract award.

(ii) Simultaneously with its resignation or termination or with the redemption by the Treasury Board or the State Treasurer of all the Shares of all the Participants pursuant to Section 2.7 hereof, whichever shall occur first, the Investment Manager shall cause the Fund to change its name so as no longer to employ the word "SNAPSM" in its name, with the understanding that the Treasury Board intends to make available to the succeeding Investment Manager the word "SNAPSM" for use in the name of the pool or fund that it shall manage as part of the Program.

(c) The Treasury Board may, with the agreement of the Investment Manager, extend the term of this Contract for a period not to exceed six months from the end of the term provided for in subsection (a) of this section.

(d) For one year from the termination of this Contract and the transfer of SNAPSM to a successor Investment Manager, the retiring Investment Manager will refrain from offering to

public entities in Virginia a program that would compete with SNAPSM for the investment of proceeds of tax-exempt debt issues of Virginia public entities.

3.11. Successors. The Treasury Board shall appoint a successor to any Investment Manager that is terminated or resigns in accordance with Section 3.10. The successor Investment Manager shall evidence its acceptance of the duties of the Investment Manager by executing a copy of this Contract.

Any successor Investment Manager shall be registered under the Investment Advisers Act of 1940 as an investment advisor, have demonstrated experience in managing large securities portfolios, particularly those of public bodies, and have offered to perform the services of the Investment Manager for compensation deemed by the State Treasurer to be reasonable under the applicable circumstances.

3.12. Compensation. Any Participant that shall engage the Investment Manager pursuant to Section 3.5(b) to manage the investment of its bond proceeds outside of the Fund in an Individual Portfolio shall pay the Investment Manager for its services in connection with the Individual Portfolio an annual fee, in monthly installments, of 0.08% [8 basis points] of the average daily net assets of the Individual Portfolio. Such fee shall be paid directly by the Participant to the Investment Manager against an invoice therefor. From such annual fee, the Investment Manager agrees to credit 0.01% of the 0.08% [1 basis point of the 8 basis points] to the Fund, such credit to be made simultaneously with the Investment Manager's receipt of each monthly installment payment.

3.13. Information. The Investment Manager agrees to provide to each of the State Treasurer (in addition to the matters the Investment Manager is otherwise obligated by this Contract to provide) and Special Counsel with one copy of each of the following:

(a) At least five (5) business days prior to the signing of this contract, the current registration statement and the exhibits thereto, including the prospectus and statement of additional information on file with the Securities and Exchange Commission (SEC) in connection with the Fund and thereafter a copy of the final draft of any disclosure document or information proposed to be filed with the SEC in connection with the Fund in advance of such filing and an exact copy of the actual filing with the SEC;

(b) At least five (5) business days prior to distribution or dissemination, any information, material, questionnaire, or other communication to all or any of the Participants and not described elsewhere in this Contract;

(c) Correspondence with any Participant, the Rebate Calculation Agent, the Depository or any one else regarding a dispute as to the responsibilities or performance of the Investment Manager or any other professional providing services to the Program; and

(d) Notices of, agenda for, and portions of minutes of meetings of the Board of Trustees of Evergreen Select Money Market Trust, and contracts authorized by such Board, in each instance only to the extent that such items relate to the Fund.

ARTICLE IV

Limitations of Liability of Participants, Treasury Board and Others

4.1. No Personal Liability of Participants. No Participant shall be subject to any liability whatsoever to any Person in connection with Fund Assets or the acts, obligations or affairs of the Program. No officer, employee or agent of any Participant shall be subject to any personal liability whatsoever to any Person in connection with Fund Assets or the affairs of the Program, save only that arising from his bad faith, willful misfeasance, gross negligence or reckless disregard of his duty to such Person. If any Participant, officer, employee, or agent, as such, of the Program, is made a party to any suit or proceeding to enforce any such liability, it shall not on account thereof be held to any personal liability. The rights accruing to Persons under this Section 4.1 shall not exclude any other right to which such Persons may be lawfully entitled.

4.2. No Liability of Treasury Board. Neither the Treasury Board nor the State Treasurer, and no officer, employee or agent of the Treasury Board or the State Treasurer, shall be liable personally, or otherwise, to the Program, its Participants, or any officer, employee, or agent thereof, or any other Person for any action or failure to act in connection with Fund Assets or the affairs of the Fund or for any Individual Portfolio except for its or his own bad faith, willful misfeasance, gross negligence or reckless disregard of its or his duties. The rights accruing to Persons under this Section 4.2 shall not exclude any other right to which such Persons may be lawfully entitled.

4.3. No Duty of Investigation; Notice in Program Instruments, etc. No purchaser, lender, transfer agent or other Person dealing with the Treasury Board or the State Treasurer or any officer, employee or agent of either shall be bound to make any inquiry concerning the validity of any transaction purporting to be made by the Treasury Board or the State Treasurer or by said officer, employee or agent or be liable for the application of money or property paid, loaned, or delivered to or on the order of the Treasury Board or the State Treasurer or of said officer, employee or agent. Every obligation, contract, undertaking, instrument, certificate made or issued in connection with the Program, and every other act or thing whatsoever executed in connection with the Program, shall be conclusively taken to have been executed or done by the officers and members of the Treasury Board or the State Treasurer only in their or his official capacity as the Treasury Board or the State Treasurer under this Contract or in their capacity as officers, employees or agents of the Program. Every written obligation, contract, undertaking, instrument, certificate, made or issued in connection with the Program shall contain an appropriate recital to the effect that the Participants, the members of the Treasury Board, the State Treasurer, and officers, employees and agents of the Program shall not personally be bound by or liable thereunder, nor shall resort be had to their private property for the satisfaction of any obligation or claim thereunder, and appropriate references shall be made therein to this Contract, and may contain any further recital which they may deem appropriate, but the omission of such recital shall not operate to impose personal liability on any of the members of the Treasury Board, Participants, the State Treasurer or the officers, employees or agents of the Program. The Treasury Board may maintain insurance for the protection of the Program, its Participants, the Treasury Board, officers, employees and agents of the Program in such amount as the Treasury

Board shall deem adequate to cover possible tort liability, and such other insurance as the Treasury Board in its sole judgment shall deem advisable.

4.4. No Liability of Program. The Parties recognize that the Fund Assets and the assets of Individual Portfolios are derived from the proceeds of Bonds of Issuers that by law may be expended only for the respective purposes for which such Bonds were issued. Therefore, the Parties agree that, except as otherwise expressly provided in this Contract in connection with redemptions and the investment and reinvestment of the assets of the Program and the payment therefrom of the fees and expenses described in this Contract and the Information Statement that such assets are subject to requisition or disbursement only at the direction of the Participants or their authorized agents.

4.5. Reliance on Experts, etc. The Treasury Board, the State Treasurer and each officer or employee of the Program shall, in the performance of his duties, be fully and completely justified and protected with regard to any act or any failure to act resulting from reliance in good faith upon the books of account or other records of the Program, upon an opinion of Special Counsel, or upon reports made to the Program by any of its officers or employees or by the Investment Manager, the Rebate Calculation Agent or any other investment advisor, administrator, manager, distributor, selected dealer, accountant, appraiser or other expert or consultant selected with reasonable care by the Treasury Board, the State Treasurer, officers or employees of the Program.

ARTICLE V

Shares of Beneficial Interest

5.1. Shares. The beneficial interests of the Participants in the Fund Assets shall be evidenced by the Shares, which are authorized, issued, valued, and redeemed and earn dividends and have the rights, all as described in the Fund prospectus incorporated into the Information Statement.

5.2. Register of Shares. A register shall be kept by the Investment Manager under the direction of the Treasury Board which register shall contain the names and addresses of the Participants and the number of Shares held by them respectively and a record of all redemptions thereof. Such register shall be conclusive, as among the Participants, as to who are the owners of the beneficial interest in the Shares and who shall be entitled to receive dividends or distributions or otherwise to exercise or enjoy the rights of Participants. It is not contemplated that certificates will be issued for the Shares; however, the Fund, in its discretion, may authorize the issuance of Share certificates and promulgate appropriate rules and regulations as to their use.

5.3. Contract Only. It is the intention of this Contract to create only the contractual relationship among the Parties contemplated by the SNAPSM Act and implemented by this Contract. It is not the intention of this Contract to create with the Participants a trust, general partnership, limited partnership, joint stock association, corporation, bailment or any form of legal relationship. Nothing in this Contract shall be construed to make the Participants, either by themselves or with the Treasury Board, partners or members of a joint stock association.

5.4. Information Statement. (a) SNAPSM shall be offered to Issuers by means of a current Information Statement only.

(b) The Investment Manager shall prepare, or cause to be prepared, from time to time, supplements to the Information Statement, and, subject to the prior approval of the State Treasurer, a new Information Statement reflecting the current circumstances of the Program.

(c) Each of the Investment Manager, the Depository, Special Counsel and the Rebate Calculation Agent shall review quarterly, beginning not later than three months after the issuance of the initial Information Statement, the then current form of the Information Statement and advise the Treasury Board in writing, based solely on such review and without any independent investigation, whether, to the best of its knowledge, the information in such Information Statement respecting (i) in the case of Special Counsel (which may exclude statistical information and the entire Fund prospectus from the scope of its review and letter) and the Investment Manager, the Information Statement as a whole, (ii) in the case of the Depository, information respecting the Depository and its role in the Program and the securities and collateral held by it and (iii) in the case of the Rebate Calculation Agent, information respecting the Rebate Calculation Agent and its role in the Program, is true and correct in all material respects and, further, in the case of Special Counsel and the Investment Manager, such information does not include any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which they were made, not misleading.

(d) If at any time the Investment Manager believes that the current Information Statement may contain an untrue statement of material fact or omit to state a material fact necessary to make the statements made therein in light of the circumstances under which they were made, not misleading, the Investment Manager is authorized and directed to prepare, disseminate and circulate, subject to the prior review of Special Counsel and approval of the State Treasurer, to each Participant as soon as practicable a supplement to the Information Statement, or a new Information Statement, correcting such misstatement or omission.

5.5. Notices. Any and all notices to which any Participant hereunder may be entitled and any and all communications shall be deemed duly served or given if given in accordance with the provisions of Section 9.5.

ARTICLE VI

Depository

6.1. Appointment and Duties. The Treasury Board shall at all times employ a bank or trust company meeting the qualifications for custodians for portfolio securities of investment companies contained in the 1940 Act, as Depository with respect to any Individual Portfolios. The Depository shall have authority as agent of the Program, but subject to such restrictions, limitations and other requirements, if any, as may be contained in this Contract, the Depository Agreement and the 1940 Act:

- (1) to hold the securities in Individual Portfolios and deliver the same upon written order;
- (2) to act upon proper instructions from the Investment Manager to effect the receipt, transfer or delivery of assets of Individual Portfolios;
- (3) to receive and receipt for any moneys due to Individual Portfolios and deposit the same in its own banking department (if a bank) or elsewhere as the Treasury Board may direct; and
- (4) to disburse such funds upon orders or vouchers,

all upon such basis of compensation as may be agreed upon between the Treasury Board and the Depository.

The Treasury Board may also authorize the Depository to employ one or more sub-depositaries from time to time to perform such of the acts and services of the Depository and upon such terms and conditions, as may be agreed upon between the Depository and such sub-depository and approved by the Treasury Board, provided that in every case such sub-depository shall meet the qualifications for custodians contained in the 1940 Act.

6.2. Depository Agreement. The Treasury Board and the Depository have entered into the agreement appended as Exhibit A to this Contract. Such agreement defines more precisely the rights and responsibilities of the Depository with respect to the Program.

6.3. Central Certificate System. Subject to such rules, regulations and orders applicable to institutions such as the Depository as the Securities and Exchange Commission (the "SEC") may adopt, the

Treasury Board may direct the Depository to deposit all or any part of the securities owned by the Program in a system for the central handling of securities established by a national securities exchange or a national securities association registered with the SEC under the Securities Exchange Act of 1934, or such other person as may be permitted by the SEC, or otherwise in accordance with the 1940 Act, pursuant to which system all securities of any particular class or series of any issuer deposited within the system are treated as fungible and may be transferred or pledged by bookkeeping entry without physical delivery of such securities, provided that all such deposits shall be subject to withdrawal only upon the order of the Investment Manager.

6.4. Compensation. The compensation of the Depository, to the extent payable by Participants having Individual Portfolios, shall be established by separate agreement between the Depository and the Treasury Board.

6.5. Termination. The Treasury Board may terminate the employment of the Depository at the time being, without penalty, on not less than 60 days' notice to the Depository. The Depository may resign its position under this Contract on not less than 60 days' written notice. Such notice of termination or resignation shall also be given promptly to all the other Parties to this Contract. The retiring Depository, shall cooperate with the successor Depository by transferring to the successor Depository, effective on the date of such termination or resignation, all assets of Individual Portfolios, copies of records respecting the Program and such other information as the successor Depository or the Investment Manager or the Treasury Board may reasonably request.

6.6. Successors. The Treasury Board shall appoint a successor to any Depository that is terminated or resigns in accordance with Section 6.5. The successor Depository shall evidence its acceptance of the duties of the Depository by executing a copy of a contract substantially similar to the Depository Agreement.

ARTICLE VII

Special Counsel; Rebate Calculation Agent; Accountant

7.1. Special Counsel. Subject to the prior approval of the Attorney General, the Treasury Board may retain a firm of attorneys with a favorable reputation in the fields of providing legal advice respecting municipal bonds and investment companies subject to registration under the 1940 Act. Special Counsel shall serve as legal counsel in connection with such matters concerning the Program as shall be designated by the Treasury Board with the approval of the Attorney General. Special Counsel shall be compensated, and reimbursed for its expenses, in accordance with the provisions of its contract with the Treasury Board, approved by the Attorney General and may be compensated by the Fund.

7.2. Rebate Calculation Agent. The Treasury Board shall at all times retain as Rebate Calculation Agent an accounting firm with a favorable national reputation in the field of the calculation of amounts subject to rebate to the United States of America under Section 148(f) of the Internal Revenue Code of 1986, as amended. Each Participant shall be directly responsible for the fees of the Rebate Calculation Agent for services in making rebate calculations respecting Fund Assets and its Individual Portfolios, if any.

7.3. Accountant. The Investment Manager shall retain an independent certified public accountant or firm of such accountants (the "Accountant"), subject to the approval of the Auditor of Public Accounts and the Treasury Board, to audit annually the operations of the Program in accordance with generally accepted auditing standards. The audit shall be completed and a report delivered by September 30, for the preceding fiscal year ended June 30. The report will include the Accountant's report, the financial statements and supporting schedules, and shall identify and include reportable conditions, material weaknesses, and all other reporting elements required by generally accepted auditing standards. Copies of the report shall be provided to the Treasury Board, the Depository, Special Counsel, the Auditor of Public Accounts, and the Investment Manager. The Auditor of Public Accounts and his designees shall have full access to and the right to examine the accounts and records of the Program and the workpapers of the Accountant.

ARTICLE VIII

Rights of Participants

8.1. Reports. In addition to the reports described in Article III, the Investment Manager shall cause copies of report mentioned in Section 7.3 to be mailed to all Participants of record, and all other Issuers that during the 12-month period covered by the report were Participants owning Shares in the Fund or had an Individual Portfolio. The Investment Manager shall, in addition, cause to be prepared and furnished to the Participants at least quarterly, interim reports containing an unaudited balance sheet as of the end of such period and an unaudited statement of income for the period from the beginning of the current fiscal year to the end of such period.

8.2. Inspection of Records. The records of the Program shall be open to inspection by Participants to the same extent as is required of records subject to The Virginia Freedom of Information Act, Chapter 37, Title 2.2, Code of Virginia 1950, as amended.

ARTICLE IX

Duration; Termination of Program; Amendment; Mergers, Etc.

9.1. Duration. Subject to its termination in accordance with the provisions of Section 9.2 hereof, the Program created hereby shall have perpetual existence.

9.2. Termination.

(a) The Program may be terminated by the Treasury Board at any time. The Treasury Board shall promptly give to all Parties notice of its determination to terminate the Program.

(b) Upon the termination of the Program,

(i) the Investment Manager shall carry on no business of the Program except for the purpose of winding up its affairs;

(ii) the Treasury Board shall proceed to wind up the affairs of the Program and all of the powers of the Treasury Board under this Contract shall continue until the affairs of the Program shall have been wound up, including the power to fulfill or discharge the contracts of the Program, collect its assets, sell, convey, assign, exchange, transfer or otherwise dispose of all or any part of the remaining Program Property to one or more persons at public or private sale for consideration which may consist in whole or in part of cash, securities or other property of any kind, discharge or pay its liabilities, and do all other acts appropriate to liquidate its business; and

(iii) after paying or adequately providing for the payment of all liabilities, and upon receipt of such releases, indemnities and refunding agreements, as they deem necessary for their protection, the Treasury Board may distribute the remaining Program Property, in cash or in kind or partly each, among the Participants according to their respective rights.

(c) After termination of the Program and distribution to the Participants as herein provided, the Treasury Board shall execute and lodge among the records of the Program an instrument in writing setting forth the fact of such termination. Upon termination of the Program, the Treasury Board shall thereupon be discharged from all further liabilities and duties hereunder, and the rights and interests of all Participants shall thereupon cease.

9.3. Amendment Procedure.

(a) The Treasury Board and the Investment Manager may amend this Contract at any time upon notice to the Participants, the Depository, Special Counsel and the Rebate Calculation Agent, and they shall so amend this Contract if they deem it necessary to conform this Contract to the requirements of applicable federal or Virginia laws or regulations, and particularly to conform the provisions of this Contract to any future law, regulation, rule, ruling or interpretative statement where, in the opinion of Special Counsel, failure so to conform may defeat the purpose, as set out in Section 1.2, of this Contract, but the Treasury Board and the Investment Manager shall not be liable for failing so to do. No minimum period of prior notice for any amendment to this Contract is required, but the Treasury Board and the Investment Manager shall endeavor to provide notice as far in advance of the effective date of such amendment as they in their sole discretion deem appropriate and practicable under the circumstances.

(b) No amendment may be made, under Section 9.3 (a) above, which would change any rights with respect to the beneficial interest of Participants in any Shares of the Fund by reducing the amount payable thereon upon liquidation of the Program. Nothing contained in this Contract shall permit the amendment of this Contract to impair the exemption from personal liability of the Participants, Treasury Board, officers, employees and agents of the Program or to permit assessments upon Participants.

(c) A certification signed by the Treasury Board setting forth an amendment and reciting that it was duly adopted by the Treasury Board and the Investment Manager as aforesaid or a copy of the Contract, as amended, and executed by the Treasury Board and the Investment Manager, shall be conclusive evidence of such amendment when lodged among the records of the Program.

(d) No amendment to this Contract shall be made that would expand or modify the duties and responsibilities, or otherwise affect, the Depository, Special Counsel or the Rebate Calculation Agent without the prior written consent of the affected Person, which consent shall not be unreasonably withheld.

9.4. Consolidation. The Treasury Board may consent to a merger or consolidation between the Fund or any successor thereto and any other fund or pool if and to the extent permitted by law, as provided under the law then in effect. Nothing contained herein shall be construed as requiring approval of Participants for the Treasury Board to organize or assist in organizing one or other more funds or pools.

9.5. Notice. The Treasury Board shall endeavor to cause the Investment Manager to provide as much notice prior to the effective date of amendments to this Contract as is practicable under the circumstances, taking into account, among other things, the likely time required for Participants that may wish to redeem their Shares before the effective date of a particular amendment to make alternative arrangements for the investment of the proceeds of the redemption of such Shares, but the Investment Manager shall bear no liability to any Participant for the failure to provide advance notice more than five (5) business days before such amendment shall become effective.

(a) Notices shall be given to the Parties, at the last address on file with sending Party, by telecopier or by mail. Notices given by telecopier shall be deemed effective one hour after transmission is completed. Notices given by overnight courier for next day delivery shall be deemed effective at 12 Noon on such next day. Notices given by first class mail shall be deemed effective at 12 Noon on the third business day after its postmarked date.

ARTICLE X

Miscellaneous

10.1. Filing. This Contract and any amendment hereto shall be filed in the office of the State Treasurer and may also be filed or recorded in such other places as the Treasury Board may deem appropriate.

10.2. Governing Law. This Contract is executed and delivered in the Commonwealth of Virginia and with reference to the laws thereof, and the rights of all parties and the validity and construction of every provision hereof shall be subject to and construed according to the laws of the Commonwealth and reference shall be specifically made to the Enabling Act as to the construction of matters not specifically covered herein or as to which an ambiguity exists.

10.3. Counterparts. This Contract may be simultaneously executed in several counterparts, each of which shall be deemed to be an original, and such counterparts, together, shall constitute one and the same instrument, which shall be sufficiently evidenced by any such original counterpart.

10.4. Provisions in Conflict With Law or Regulations. The provisions of this Contract are severable, and if the Treasury Board shall determine, with the advice of Special Counsel, that any of such provisions is in conflict with the 1940 Act, the provisions of the Internal Revenue Code of 1986, as amended, or with other applicable laws and regulations, the conflicting provision shall be deemed never to have constituted a part of this Contract; provided, however, that such determination shall not affect any of the remaining provisions of this Contract or render invalid or improper any action taken or omitted prior to such determination.

10.5. Contract Beneficiaries. This Contract is made solely for the benefit of those that are Parties and deemed Parties hereto and, with the exception of the Depository, Special Counsel and the Rebate Calculation Agent, no other Person is entitled to any right or benefit under this Contract.

10.6. Purpose. This Contract is executed to establish the terms and conditions of the employment by the Treasury Board of Evergreen Investment Management Company LLC as Investment Manager of the Program. This Contract shall succeed on December 1, 2002 the contract made on January 16, 1989, effective March 1, 1989, and amended September 1, 1989, July 1, 1989, July 17, 1991, May 1, 1994, July 24, 1995, May 3, 1999 and May 11, 2001 (the "Former Contract").

10.7. Relationship to Former Contract. Except as to rights and liabilities accrued as of November 30, 2002, the Former Contract shall be deemed to have been amended and restated in the form of this Contract and this Contract shall thereafter govern the rights and obligations of the Parties. Participants that shall not have redeemed all of their Shares and withdrawn all of their assets from Individual Portfolios prior to December 1, 2002 will be deemed Participants under this Contract.

10.8. Relationship between Fund and SNAPSM. 4. Notwithstanding any provision of this Contract:

(i) None of the Treasury Board, the State Treasurer, any Participant, and any other person, shall have or be deemed to have, nor shall any provision of this Contract be deemed to confer upon any of them, any right, power, or prerogative to direct any of the operations of the Fund, including without limitation the investment of any Fund Assets or the relations between the Fund and any person, and the right, power, and prerogative so to direct shall reside solely in the Trustees of Evergreen Select Money Market Trust, and in such other persons as they may designate.

(ii) Evergreen, as Investment Manager of the Program, shall invest, or cause to be invested, the assets of the Participants held in the Program in Fund Shares or in such other investments as shall be consistent with the provisions of this Contract. It is understood and agreed that, in investing the Fund Assets and otherwise acting as investment adviser to the Fund, Evergreen shall be free to act in accordance with the investment objectives and policies of the Fund as in effect from time to time and with such instructions as the Trustees of Evergreen Select Money Market Trust may issue from time to time, and that none of the Treasury Board, the State Treasurer, any Participant, and any other person shall have any rights in respect thereof other than any rights any of them may have in respect of their ownership interests in the Fund.

(b) Notwithstanding any provision of this Section 10.8, nothing shall vitiate the power of the Treasury Board or the State Treasurer to redeem any or all the Shares of any or all the Participants in accordance with the provisions of Section 2.7 hereof.

IN WITNESS WHEREOF, the undersigned have caused these presents to be executed as of the day and year first above written.

**TREASURY BOARD OF THE COMMONWEALTH
OF VIRGINIA**

By: _____
Jody M. Wagner
Chairman of the Treasury Board
and State Treasurer

**EVERGREEN INVESTMENT MANAGEMENT
COMPANY, LLC**

By: _____
Senior Vice President

APPENDIX B
OFFEROR'S REPORT OF SMALL, WOMEN-OWNED, AND
MINORITY-OWNED BUSINESSES AND DEFINITIONS
(pages 48 – 51)

PARTICIPATION OF SMALL, WOMEN OWNED, AND MINORITY OWNED BUSINESSES

1. Participation by Small Businesses:

- a. Offeror certifies that it () is, () is not, a small business concern (including its affiliates) which is independently owned and operated. For the purpose of this procurement, a small business is a concern that is not dominant in the field of operation in which it is contracting and can further qualify under the criteria concerning number of employees, average annual receipts, or other criteria, as prescribed by the United States Small Business Administration.
- b. List small businesses with which the Offeror has contracted or done business and dollar amounts spent with each of these businesses in the most recent 12-month period for which data is available. Offerors are encouraged to provide additional information and expand upon the following format:

<u>PERIOD:</u> From: _____ To: _____					%TOTAL CO. EXPENDITURES FOR GOODS & SERVICES ***
FIRM NAME, ADDRESS, PHONE NO.	CONTACT PERSON	TYPE GOODS/ SERVICES	DOLLAR AMOUNTS		

***** WHEN FIGURING THE TOTALS IN THIS COLUMN, THE TOTAL EXPENDITURES FOR ALL THREE CATEGORIES (SMALL, WOMEN AND MINORITY-OWNED BUSINESSES) CAN NOT EXCEED 100%.*****

- c. Describe Offeror's plans to involve small businesses in the performance of this Contract either as part of a joint venture, as a partnership, as subcontractors or as suppliers. Offerors are encouraged to provide additional information and expand upon the following format:

<u>PERIOD:</u> From: _____ To: _____					% OF TOTAL CONTRACT***
FIRM NAME, ADDRESS, PHONE NO.	CONTACT PERSON	TYPE GOODS/ SERVICES	DOLLAR AMOUNTS		

***** WHEN FIGURING THE TOTALS IN THIS COLUMN, THE TOTAL EXPENDITURES FOR ALL THREE CATEGORIES (SMALL, WOMEN AND MINORITY-OWNED BUSINESSES) CAN NOT EXCEED 100%.*****

2. Participation by Businesses Owned by Women:

- a. Offeror certifies that it () is, () is not, a women's business enterprise or women owned business. For the purpose of this procurement, a woman owned business is a concern that is at least 51 percent owned by a woman or women who also control and operate it. In this context, "control" means exercising the power to make policy decisions, and "operate" means being actively involved in the day-to-day management.
- b. List businesses owned by women with whom the Offeror has contracted or done business and dollar amounts spent with each of these businesses in the most recent 12-month period for which data is available. Offerors are encouraged to provide additional information and expand upon the following format:

PERIOD: From: _____ To: _____

FIRM NAME, ADDRESS, PHONE NO.	CONTACT PERSON	TYPE GOODS/ SERVICES	DOLLAR AMOUNTS	%TOTAL CO. EXPENDITURES FOR GOODS/SERVICES WOMEN-OWNED BUS.***

*****WHEN FIGURING THE TOTALS IN THIS COLUMN, THE TOTAL EXPENDITURE FOR ALL THREE CATEGORIES (SMALL, WOMEN, AND MINORITY-OWNED BUSINESSES) CAN NOT EXCEED 100%.*****

- c. Describe Offeror's plans to involve businesses owned by women in the performance of this Contract, either as part of a joint venture, as a partnership, as subcontractors or as suppliers. Offerors are encouraged to provide additional information and expand upon the following format:

PERIOD: From: _____ To: _____

FIRM NAME, ADDRESS, PHONE NO.	CONTACT PERSON	TYPE GOODS/ SERVICES	DOLLAR AMOUNTS	% OF TOTAL CONTRACT WOMEN-OWNED BUS.***

*****THIS COLUMN REFLECTS WHAT PERCENTAGE OF THE 100% VALUE OF THIS CONTRACT YOU WILL AWARD TO WOMEN-OWNED BUSINESSES*****

3. Participation by Businesses Owned by Minorities:

- a. Offeror certifies that it () is, () is not, a minority business enterprise or minority owned business. For the purpose of this procurement, a minority-owned business is a concern that is at least 51 percent owned by one or more socially and economically disadvantaged persons. Such disadvantage may arise from cultural, racial, chronic economic circumstances or background or other similar cause. Such persons include, but are not limited to, African Americans, Hispanic Americans, Asian Americans, American Indians, Eskimos, and Aleuts.
- b. List businesses owned by minorities with which the Offeror has contracted or done business and dollar amounts spent with each of these businesses in the most recent 12-month period for which data is available. Offerors are encouraged to provide additional information and expand upon the following format:

PERIOD: From: _____ To: _____

FIRM NAME, ADDRESS & PHONE NO.	CONTACT PERSON	TYPE GOODS/ SERVICES	DOLLAR AMOUNTS	% TOTAL CO. EXPENDITURES FOR GOODS/SERVICES FROM MINORITY-OWNED BUS.***

*****WHEN FIGURING THE TOTALS IN THIS COLUMN, THE TOTAL EXPENDITURE FOR ALL THREE CATEGORIES (SMALL, WOMEN, AND MINORITY-OWNED BUSINESSES) CAN NOT EXCEED 100%.**

- c. Describe Offeror's plans to involve minority businesses in the performance of this Contract, either as part of a joint venture, as a partnership, as subcontractors or as suppliers. Offerors are encouraged to provide additional information and expand upon the following format:

PERIOD: From: _____ To: _____

FIRM NAME,

ADDRESS & PHONE NO.	CONTACT PERSON	TYPE GOODS/ SERVICES	DOLLAR AMOUNTS	% OF TOTAL CONTRACT MINORITY-OWNED BUS.***

*****THIS COLUMN REFLECTS WHAT PERCENTAGE OF THE 100% VALUE OF THIS CONTRACT YOU WILL AWARD TO MINORITY-OWNED BUSINESSES.*****

DEFINITIONS

For the purpose of this RFP, the following shall serve as definitions:

PERIOD is the specified 12-month period for which the information provided in this list is applicable and valid. The period will be specified as month and year.

FIRM NAME, ADDRESS AND PHONE NUMBER is the name address and business phone number of the small business, women owned business or minority owned business with which the Offeror has contracted or done business over the specified period or plans to involve on this Contract, as applicable.

CONTACT PERSON is the name of the individual in the specified small business, women owned business or minority owned business who would have knowledge of the specified contracting and would be able to validate the information provided in this list.

TYPE GOODS OR SERVICES is the specific goods or services the Offeror has contracted for from the specified small, women owned or minority owned business over the specified period of time or plans to use in the performance of this Contract, as applicable. The Offeror will asterisk (*) those goods and services that are in the Offeror's primary business or industry.

DOLLAR AMOUNT is the total dollar amount (in thousands of dollars) the Offeror has contracted for or has done business with the listed firm during the specified period or plans to use on this Contract, as applicable.

% TOTAL COMPANY EXPENDITURES FOR GOODS AND SERVICES is calculated by dividing the dollar amount of business conducted or contracted for with the indicated firm over the specified period by the total expenditure of the Offeror over the specified period for goods and services.

% OF TOTAL CONTRACT is calculated by dividing the estimated dollars planned for the indicated firm on this Contract by the total Offeror estimated price of this Contract.

SMALL BUSINESS is a concern that is not dominant in the field of operation in which it is contracting and can further qualify under the criteria concerning number of employees, average annual receipts, or other criteria, as prescribed by the United States Small Business Administration.

WOMAN-OWNED BUSINESS is a concern that is at least 51 percent owned by a woman or women who also control and operate it. In this context, "control" means exercising the power to make policy decisions, and "operate" means being actively involved in the day-to-day management.

MINORITY-OWNED BUSINESS is a concern that is at least 51 percent owned by one or more socially and economically disadvantaged persons. Such disadvantage may arise from cultural, racial, chronic economic circumstances or background or other similar cause. Such persons include, but are not limited to, African Americans, Hispanic Americans, Asian Americans, American Indians, Eskimos, and Aleuts.

APPENDIX C

SNAPSM INFORMATION STATEMENT

(Can be accessed via Treasury's website www.trs.state.va.us. Click on Procurement Opportunities, RFP OPR 04-006, SNAPSM Information Statement)

APPENDIX D

SNAPSM FUND PROSPECTUS

(Can be accessed via Treasury's website www.trs.state.va.us. Click on Procurement Opportunities, RFP OPR 04-006, SNAPSM Fund Prospectus)

APPENDIX E

SNAPSM FUND ANNUAL REPORT

(Can be accessed via Treasury's website www.trs.state.va.us. Click on Procurement Opportunities, RFP OPR 04-006, SNAPSM Fund Annual Report)

APPENDIX F

STATE NON-ARBITRAGE PROGRAM NON-EXCLUSIVE LICENSE AGREEMENT

(Can be accessed via Treasury's website www.trs.state.va.us. Click on Procurement Opportunities, RFP OPR 04-006, SNAPSM Non-Exclusive License Agreement)

APPENDIX G

SNAPSM TREASURY BOARD REPORT (for December 2003) (including SNAPSM Fund investment portfolio)

(Can be accessed via Treasury's website www.trs.state.va.us. Click on Procurement Opportunities, RFP OPR 04-006, SNAPSM Treasury Board Report)